

AGENDA
IRVINE RANCH WATER DISTRICT
SUPPLY RELIABILITY PROGRAMS COMMITTEE
THURSDAY, SEPTEMBER 21, 2023

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

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

Via Web: <https://irwd.webex.com/irwd/j.php?MTID=m7c4b8220c9e69fееееcd1664607acfad>
Meeting Number (Access Code): 2485 216 3174
Meeting Password: 7XBrUyye8J2

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

PLEASE NOTE: Participants joining the meeting will be placed into the Webex lobby when (if) 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 4:00 p.m.

ATTENDANCE Committee Chair: Doug Reinhart _____
Member: Peer Swan _____

ALSO PRESENT Paul Cook _____ Paul Weghorst _____
Kent Morris _____ Fiona Sanchez _____
Robert Huang _____ Christine Compton _____
Kellie Welch _____ 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. Public comments are limited to three minutes per speaker on each subject. You may also submit a public comment in advance of the meeting by emailing comments@irwd.com before 5:00 p.m. on September 20, 2023.

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

Recommendation: Receive and file.

6. UPDATE ON DEPARTMENT OF WATER RESOURCES TEMPLATE AGREEMENTS – LINDSAY / WELCH / SANCHEZ / WEGHORST

Recommendation: Receive and file.


7. TENTATIVE RECHARGE PLAN FOR 2024 – PALACIO / WELCH / SANCHEZ / WEGHORST

Recommendation: Receive and file.

OTHER BUSINESS

8. Receive Oral Updates from District’s liaison to Dudley Ridge Water District and provide information on relevant activities.
9. Directors’ Comments
10. 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.

September 21, 2023
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 IRWD’s actual and forecasted monthly recharge operations for 2023.

BACKGROUND:

Staff has prepared reference materials in tabular, map, and schematic formats to describe IRWD’s water banking facilities, capacities, operations, storage, and exchange programs. These 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 as well as monthly recharge operations for calendar year 2023 at the IRWD Water Bank.

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 and in storage at the water banking projects, and Exhibit “C” provides after-loss estimates of water recharged and in storage at the projects. Changes shown in red on Exhibits “B” and “C” depict continued deliveries of water from Buena Vista Water Storage District and Dudley Ridge Water District. The California Department of Water Resources (DWR) template agreements authorizing delivery of Central Coast Water Authority (CCWA) and Antelope Valley-East Kern Agency (AVEK) water to the IRWD Water Bank have not yet been executed. Deliveries of the CCWA and AVEK supplies are now estimated to begin in October. The values reported in Exhibits “B” and “C” include deliveries that were made to the temporary recharge facilities on the West Enos property. Deliveries to the Kern Water Bank have yet to be reported and will be available in early 2024.

Summary of Programs:

A table summarizing IRWD’s water purchase and exchange programs is presented as Exhibit “D.” This table lists each purchase and exchange program IRWD has entered into and presents information related to the type of exchange, year executed, agreement type, and water type. IRWD and partner shares are listed, and the table shows the total amount of water included in

each program. The balances listed for IRWD and its partners show the amount of water remaining in storage, with IRWD's balances specifying whether the water is stored in Metropolitan Water District's system, Kern County or owed to IRWD by Dudley Ridge. The table also provides details related to the exportability of IRWD's supplies. Changes shown in red on Exhibit "D" correspond with the changes made to Exhibits "B" and "C."

Exhibit "E" graphically depicts how storage of State Water Project (SWP) and non-SWP water has changed annually in the Strand and Stockdale Integrated Banking Projects. Exhibit "E" has been revised to depict the balance of water owed to IRWD by Dudley Ridge. The table provided as Exhibit "F" shows how capacities in the water banking projects have been dedicated to IRWD's existing and proposed exchange programs.

Project Maps:

To support the tables and figures provided as Exhibits "A", "B", "C", "D", "E", and "F", staff has prepared maps depicting project wells, pipelines, recharge basins, and Cross Valley Canal turnout locations, along with the most current recharge rates. These maps are provided as Exhibits "G", "H" and "I", respectively. Exhibit "I" has been updated with current recharge rates for IRWD's Water Bank. 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, Dudley Ridge, Metropolitan and AVEK. These diagrams are provided as Exhibits "J", "K", "L", "M", "N", "O", and "P" as described in the List of Exhibits.

Cost of Water Table:

A table presenting a summary of the costs of water from each of IRWD's unbalanced exchange partnerships through year 2021 is provided as Exhibit "Q". The table lists each of IRWD's unbalanced exchange partnerships and presents information related to the period over which water was acquired, water type, IRWD's share of water, and various cost components as well as the total cost of water delivered to IRWD's service area. Cost components include fixed and variable operating costs, estimated future IRWD recovery costs, the 2023 Metropolitan Full Service Untreated Tier-1 Rate, and a capital cost of water. The variable costs include an administrative fee issued by the Kern County Water Agency for staff time related to processing Transaction Request Forms. The costs of water are presented on a dollar per acre-foot basis.

IRWD's Coordinated Agreement with Metropolitan:

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

2023 Actual and Forecasted Water Recharge Activities:

Exhibit “S” depicts actual and forecasted recharge operations for 2023. IRWD’s annual contractual recharge limit of 17,500 AF on the Strand Ranch was reached in June. IRWD deliveries continue to the Stockdale West at a rate of 20 cfs, or approximately 40 AF per day. Water deliveries to the temporary recharge facilities on the West Enos property are currently estimated at a rate of 30 cfs, or approximately 60 AF per day, for Rosedale and IRWD. Half of this capacity is available for the benefit of IRWD with approximately 30 AF per day being recharged on the West Enos property.

Water Deliveries for Dudley Ridge:

Water deliveries to IRWD from Dudley Ridge satisfy return obligations associated with Dudley Ridge’s prior use of non-SWP water from IRWD’s Water Bank consistent with the 1-for-1 long term exchange program that is depicted in Exhibit “O.” Deliveries from Dudley Ridge are expected to be completed this month with the recharge goal for the 1-for-1 exchange program to be exceeded.

Water Deliveries for Buena Vista:

IRWD Water Bank deliveries from Buena Vista consisted of Kern River water that was stored by exchange in the SWP. These deliveries were made pursuant to the long-term 2-for-1 exchange program between IRWD and Buena Vista depicted in Exhibit “K” as well as the 2023 supplemental recharge program. Deliveries for Buena Vista were completed in August, after meeting the 22,000 AF goal for the year.

Operations Through Remainder of Year:

Cross Valley Capacity (CVC) constraints have not limited IRWD’s ability to accept deliveries to both the Stockdale West and West Enos facilities. Should constraints occur, IRWD could exercise the use of Homer LLC’s CVC capacity under the Amended 2023 Pilot Water Management Program.

Staff anticipates that deliveries for AVEK and CCWA will begin in October once final approval by Kern County Water Agency has been secured and required template agreements with DWR have been executed. The remaining recharge capacity for the year will be dedicated to AVEK and CCWA deliveries. Staff estimates that, through the end of September 2023, 35,189 AF will have been delivered for recharge with 23,315 AF being dedicated to IRWD.

Water Supply Conditions:

Deliveries to IRWD’s Water Bank in 2023 reflect the wet-year conditions in the State of California. At the Committee meeting staff will present an update on water supply conditions including the Colorado River, SWP, Central Valley Project, and Kern River systems.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

- Exhibit “A” – Recharge, Storage and Recovery Capacities of Current and Anticipated Water Banking Projects
- Exhibit “B” – Water Banking Storage, Recharge, and Recovery Operations before Losses
- Exhibit “C” – Water Banking Storage, Recharge, and Recovery Operations after Losses
- Exhibit “D” – Status of IRWD Purchase and Exchange Programs
- Exhibit “E” – Historic Water Storage in Strand and Stockdale Projects
- Exhibit “F” – Dedicated Capacities of Current Water Banking Projects
- Exhibit “G” – Map of Water Banking Project Wells and Pipelines
- Exhibit “H” – Map of Water Banking Recharge Basins and Turnout Facilities
- Exhibit “I” – Map of Water Banking Recharge Rates
- Exhibit “J” – Diagram of IRWD-Rosedale Water Banking and Exchange Program Agreements
- Exhibit “K” – Diagram of Long-term Water Exchange Program with Buena Vista Water Storage District and Diagram of One-year Program to Augment Recharge Using Stockdale West Recharge Facilities with Buena Vista Water Storage District
- Exhibit “L” – Diagram of Unbalanced Exchange Program Diagram with Dudley Ridge
- Exhibit “M” – Diagram of Coordinated Operating, Water Storage, Exchange, and Delivery Agreement with Metropolitan
- Exhibit “N” – Diagram of Template Wheeling Agreement with Metropolitan
- Exhibit “O” – Diagram of Dudley Ridge One-for-One Exchange
- Exhibit “P” – Diagram of Long-term Water Exchange Program with Antelope Valley-East Kern
- Exhibit “Q” – Cost of Water Tables
- Exhibit “R” – Summary of IRWD’s Coordinated Operating, Water Storage, Exchange and Delivery Agreement with Metropolitan and MWDOC
- Exhibit “S” – Actual and Forecasted 2023 Recharge Operations

Exhibit "A"

TABLE 1
Current and Anticipated Water Banking Projects
Recharge, Storage and Recovery Capacities
 September 21, 2023

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	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	RECOVERY CAPACITY (Average Daily Production 1/1/2021 - 7/31/2022)	RECOVERY CAPACITY AS PLANNED	RECOVERY CAPACITY CURRENT CONDITIONS
Strand Ranch	Yes	7	50,000	17,500	-	17,500	-	40.0	20.5	-	-
Stockdale West	Yes	3	26,000	27,100	-	11,250	-	15.0	11.6	-	-
Stockdale East	No	2	-	-	19,000	-	7,500	-	-	10.0	9.0
IRWD Acquired Storage Account ²	No	-	50,000	-	-	-	-	-	-	-	-
Drought Relief Project Wells ²	No	3	-	-	-	-	-	15.0	16.5	-	-
Kern Water Bank Storage Account ⁴	No	-	9,495	3,200	-	1,520	<5,000	-	-	-	-
TOTALS		15	135,495	47,800	19,000	30,270	12,500	70.0	48.6	10.0	9.0
Partner Capacities ³			38,000	22,300	9,500	10,850	0	35.5	25.0	-	-
IRWD Capacities (does not include Kern Water Bank capacities)			88,000	22,300	9,500	17,900	7,500	34.5	25.0	-	-
IRWD's recovery <i>during</i> 6 month partner recovery period (AF)								12,420	9,000	-	-
IRWD's recovery <i>after</i> 6 month partner recovery period (AF)								5,480	6,733	-	-
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 IRWD has use of Acquired Storage and Drought Relief Project wells until January 12, 2039, unless the term of the agreement is extended. ³ One half of storage capacity at Stockdale West and Strand Ranch will be allocated for partners. ⁴ Kern Water Bank capacities based on 6.58% of Dudley Ridge Water District's 9.62% share of the Kern Water Bank. Annual recharge amount is based on an average of recharge rates for high and low groundwater level conditions. 5,000 AF of recovery capacity may be available for second priority use.											

Exhibit "B"

TABLE 2

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

September 21, 2023

TRANSACTIONS	WATER BANKING ENTITY						TOTAL BY WATER TYPE AND STORAGE LOCATION
	IRWD		BUENA VISTA (BVWSD)	CENTRAL COAST (CCWA)	ANTELOPE VALLEY-EAST KERN (AVEK)	DUDLEY RIDGE WATER DISTRICT (DRWD) ³	
	SWP ¹	NON-SWP ²	NON-SWP	SWP	SWP	SWP	
BEGINNING WATER IN STORAGE 2022 (AF)							
Total Kern Water Bank ⁴	-	3,848	-	-	-	-	3,848
Total MWD System	8,062	-	-	-	-	-	8,062
Total Kern County	5,234	14,416	-	-	-	-	19,650
Total DRWD 1-for-1 Long Term Exchange Credit ⁵	11,000	-	-	-	-	-	11,000
TOTAL STORED WATER (1/1/2022)	24,296	18,264	-	-	-	-	42,560
(RECOVERY) AND RECHARGE IN 2022 (AF)							
KWB Recovery for use on Jackson Ranch ⁶	-	(84)	-	-	-	-	(84)
2022 SWP Allocation (5%)	44	-	-	-	-	43	87
2019 Reserve Water	76	225	225	-	-	-	526
Kern River Water	-	(5,000)	-	-	-	-	(5,000)
DRWD 1-for-1 Long Term Exchange Credit	5,500	-	-	-	-	-	5,500
Recovery of Banked SWP Water for MWD	(3,927)	-	-	-	-	-	(3,927)
MWD Credit for SWP Water	3,927	-	-	-	-	-	3,927
TOTAL 2022 TRANSACTIONS	5,620	(4,859)	225	-	-	43	1,029
Total Kern Water Bank ⁹	-	3,764	-	-	-	-	3,764
Total MWD System	12,033	-	-	-	-	43	12,076
Total Kern County	1,383	9,641	225	-	-	-	11,249
Total DRWD 1-for-1 Long Term Exchange Credit	16,500	-	-	-	-	-	16,500
TOTAL STORED WATER (1/1/2023)	29,916	13,405	225	-	-	43	43,589
(RECOVERY) AND RECHARGE IN 2023 (AF)							
KWB Recovery for use on Jackson Ranch ⁶ Est.	-	(235)	-	-	-	-	(235)
2023 SWP Allocation (100%) ³	875	-	-	-	-	874	1,749
BV Long Term Program Kern River Water Est.	-	8,750	8,750	-	-	-	17,500
BV 2023 Recharge Kern River Water Est.	-	2,250	2,250	-	-	-	4,500
CCWA 2023 Short Term Exchange Est.	-	-	-	-	-	-	-
AVEK Long Term Exchange Est.	-	-	-	-	-	-	-
DRWD 1-for-1 Long Term Exchange (Recharge) Est.	10,816	-	-	-	-	-	10,816
TOTAL ESTIMATED 2023 TRANSACTIONS	11,691	10,765	11,000	-	-	874	34,330
ESTIMATED WATER IN STORAGE 2023 (AF)							
Total Kern Water Bank	-	3,529	-	-	-	-	3,529
Total MWD System	12,033	-	-	-	-	43	12,076
Total Kern County	13,074	20,641	11,225	-	-	874	45,814
Total DRWD 1-for-1 Long Term Exchange Credit	5,684	-	-	-	-	-	5,684
TOTAL ESTIMATED STORED WATER TO DATE	30,791	24,170	11,225	-	-	917	67,103

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 2,403 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. MWD took delivery of IRWD's 2022 SWP allocation in June 2022. MWD will not take delivery of IRWD's 2023 SWP Allocation.

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

⁵ Per the DRWD Long-Term 1-for-1 Exchange Program, Non-SWP water delivered to DRWD landowners will be returned to IRWD as SWP water at a later date. To account for the SWP water that will be returned at a later date, the amount of water owed will be shown as a credit. Total assumes all water is returned to IRWD Water Bank which adds in a 10% loss factor.

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

Exhibit "C"

TABLE 3
IRWD's Water Banking Storage, Recharge and Recovery Operations - AFTER LOSSES
 September 21, 2023

TRANSACTIONS	WATER BANKING ENTITY						TOTAL BY WATER TYPE AND STORAGE LOCATION
	IRWD		BUENA VISTA (BVWSD)	CENTRAL COAST (CCWA)	ANTELOPE VALLEY-EAST KERN (AVEK)	DUDLEY RIDGE WATER DISTRICT (DRWD) ³	
	SWP ¹	NON-SWP ²	NON-SWP	SWP	SWP	SWP	
BEGINNING WATER IN STORAGE 2022 (AF)							
Total Kern Water Bank ⁴	-	3,848	-	-	-	-	3,848
Total MWD System	8,062	-	-	-	-	-	8,062
Total Kern County	4,199	10,492	-	-	-	-	14,691
Total DRWD 1-for-1 Long Term Exchange Credit ⁵	10,000	-	-	-	-	-	10,000
TOTAL STORED WATER (1/1/2022)	22,261	14,340	-	-	-	-	36,601
(RECOVERY) AND RECHARGE IN 2022 (AF)							
KWB Recovery for use on Jackson Ranch ⁶	-	(84)	-	-	-	-	(84)
2022 SWP Allocation (5%)	44	-	-	-	-	43	87
2019 Reserve Water	72	213	225	-	-	-	510
Kern River Water	-	(5,000)	-	-	-	-	(5,000)
DRWD 1-for-1 Long Term Exchange Credit	5,000	-	-	-	-	-	5,000
Recovery of Banked SWP Water for MWD	(3,927)	-	-	-	-	-	(3,927)
MWD Credit for SWP Water	3,927	-	-	-	-	-	3,927
TOTAL 2022 TRANSACTIONS	5,116	(4,871)	225	-	-	43	513
Total Kern Water Bank	-	3,764	-	-	-	-	3,764
Total MWD System	12,033	-	-	-	-	43	12,076
Total Kern County	344	5,705	225	-	-	-	6,274
Total DRWD 1-for-1 Long Term Exchange Credit	15,000	-	-	-	-	-	15,000
TOTAL STORED WATER (1/1/2023)	27,377	9,469	225	-	-	43	37,114
(RECOVERY) AND RECHARGE IN 2023 (AF)							
KWB Recovery for use on Jackson Ranch ⁶ Est.	-	(235)	-	-	-	-	(235)
2023 SWP Allocation (100%) ³	750	-	-	-	-	749	1,499
BV Long Term Program Kern River Water Est.	-	7,501	7,896	-	-	-	15,397
BV 2023 Recharge Kern River Water Est.	-	1,929	2,030	-	-	-	3,959
CCWA 2023 Short Term Exchange Est.	-	-	-	-	-	-	-
AVEK Long Term Exchange Est.	-	-	-	-	-	-	-
DRWD 1-for-1 Long Term Exchange (Recharge) Est.	9,272	-	-	-	-	-	9,272
TOTAL ESTIMATED 2023 TRANSACTIONS	10,022	9,195	9,926	-	-	749	29,892
ESTIMATED WATER IN STORAGE 2023 (AF)							
Total Kern Water Bank	-	3,529	-	-	-	-	3,529
Total MWD System	12,033	-	-	-	-	43	12,076
Total Kern County	10,366	15,135	10,151	-	-	749	36,401
Total DRWD 1-for-1 Long Term Exchange Credit	5,728	-	-	-	-	-	5,728
TOTAL ESTIMATED STORED WATER TO DATE	28,127	18,664	10,151	-	-	792	57,734

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

MWD = Metropolitan Water District of Southern California.

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

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

³ DRWD water will be returned by MWD or IRWD's Strand Ranch to IRWD's Jackson Ranch. MWD took delivery of IRWD's 2022 SWP allocation in June 2022. MWD will not take delivery of IRWD's 2023 SWP Allocation.

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

⁵ Per the DRWD Long-Term 1-for-1 Exchange Program, Non-SWP water delivered to DRWD landowners will be returned to IRWD as SWP water at a later date. To account for the SWP water that will be returned at a later date, the amount of water owed will be shown as a credit. Total assumes all water is returned to IRWD Water Bank which adds in a 10% loss factor. Final amounts may be subject to additional CVC losses.

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

Exhibit "D"

TABLE 4
Status of IRWD Purchase and Exchange Programs (AFTER LOSSES)
 September 21, 2023

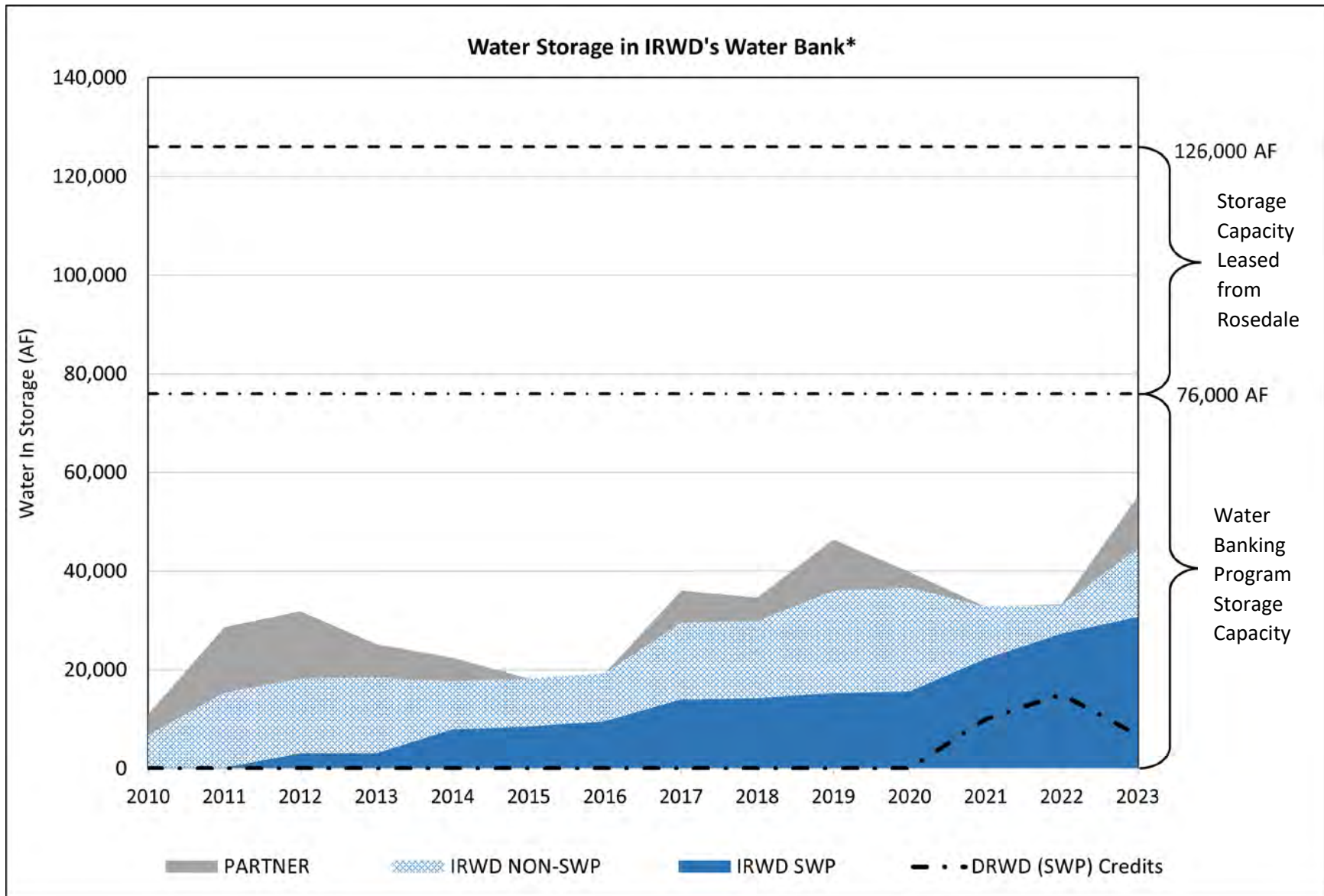
PARTNER	EXCHANGE RATIO	YEAR EXECUTED	AGREEMENT TYPE	WATER TYPE	PARTNER WATER		IRWD WATER									
					PARTNER SHARE (AF)	PARTNER BALANCE (AF)	IRWD SHARE (AF)	IRWD BALANCE			EXPORTABILITY			SELLABLE (Y/N)		
								IN MWD SYSTEM (AF)	STORED IN KERN (AF) Strand and Stockdale	Kern Fan (W.Enos)	OWED BY DUDLEY RIDGE WD	TOTAL (AF)	EXPORTABLE TO IRWD (AF)		NON-EXPORTABLE (AF)	FOR USE ON JACKSON RANCH (DRWD)
Semitropic Water Storage District	NA	2008	Purchase	SWP Article 21	NA	NA	2,842		2,403			2,403		2,403		Yes
Carpinteria Valley Water District	2-for-1	2008	Short-Term	SWP Table A	277		250		250			250		250		Yes
Buena Vista Water Storage District ¹	2-for-1	2010	Pilot	Kern River	4,108		3,903									Yes
	2-for-1	2011	Long-Term	Kern River	29,369	8,121	27,900		10,803	0		10,803		10,803		
Antelope Valley East Kern Water Agency	2-for-1	2011	Pilot	SWP Table A	2,229		2,337	2,337				2,337	2,337			No
Carpinteria Valley Water District	2-for-1	2011	Pilot	SWP Table A	624		655	655				655	655			No
Dudley Ridge Water District (SWPAO #13012)	2-for-1	2013	SWPAO	SWP Table A	1,876		1,876	1,876				1,876	1,876			Yes
				SWP Article 21	1,553		1,554	1,554			1,554	1,554			Yes	
Metropolitan Water District ²	1-for-1	2014	Short-Term	SWP Table A	NA	NA	4,000	4,000				4,000	4,000			No
Dudley Ridge Water District (SWPAO #17030)	2-for-1	2018	SWPAO	SWP Table A	1,803	792	1,875	1,055	819			1,875	1,875		792	Yes
Central Coast Water Authority (SWPAO #17001)	2-for-1	2017	Short-Term	SWP Table A	258		258	258				258	258			No
Dudley Ridge Water District ³ (SWPAO #19001)	1-for-1	2017	Long-Term	SWP Table A	NA	NA	9,272		8,691	581		9,272	15,000			No
				Credit	NA	NA	5,728			5,728	5,728				No	
Central Coast Water Authority (SWPAO #19031)	2-for-1	2019	Short-Term	SWP Table A	298		323	298	25			323	323			No
Buena Vista Water Storage District ¹	2-for-1	2023	Short-Term	Kern River	2,030	2,030	1,929		1,178	751		1,929		1,929		Yes
Central Coast Water Authority (SWPAO #23012)	2-for-1	2023	Short-Term	SWP Table A	-	-	-		-	-		-	-			No
Antelope Valley East Kern Water Agency	2-for-1	2018	Long-Term	SWP Table A	-	-	-		-	-		-	-			No
Total:					44,425	10,943	64,702	12,033	24,169	1,332	5,728	43,263	27,877	15,385	792	NA

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

² Source of water was Buena Vista Water Storage District Kern River high flow water

³ To account for the SWP water that will be returned to IRWD, the amount of water owed is shown as a credit. The total net of losses is 15,000 AF.

Exhibit "E"



*After losses

Exhibit "F"

TABLE 5

IRWD Dedicated Water Banking Capacities for Existing and Proposed Exchange Programs

September 21, 2023

STORAGE CAPACITY

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	-	-
Total Dedicated	50,000	20,000	-	-
Total Remaining	-	6,000	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	-	-
Total Dedicated	17,500	20,000	-	-
Total Remaining	-	7,100	-	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	-	1,520
BVWSD	6,667	-	-	-
DRWD	-	-	-	-
AVEK	-	3,333	-	-
IRWD	10,833	7,084	-	1,520
Total Dedicated	17,500	10,417	-	1,520
Total Remaining	-	833	-	-

Exhibit "G"

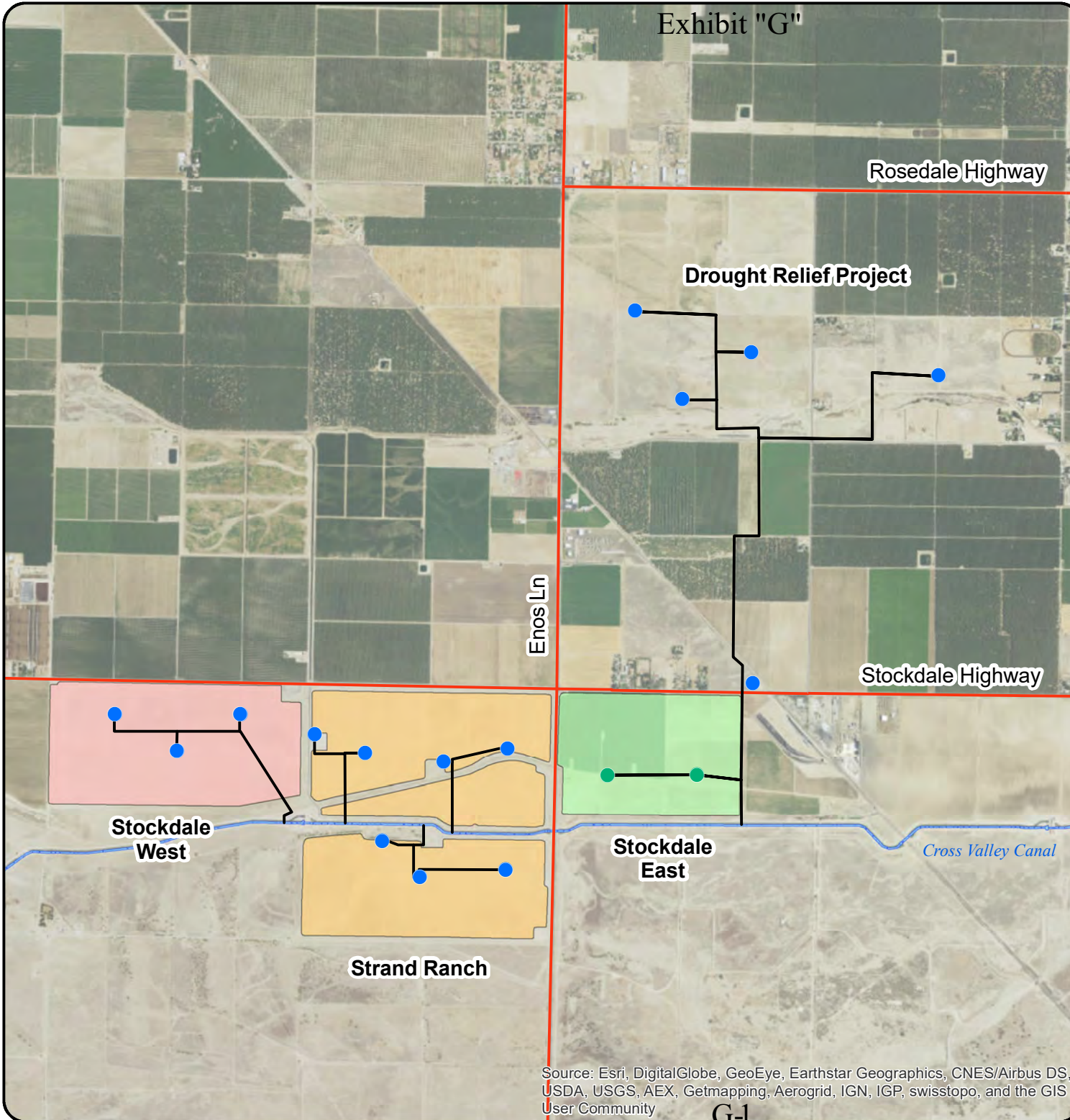


Location Map: IRWD Water Banking Projects Wells and Turnin Pipelines

MAP FEATURES

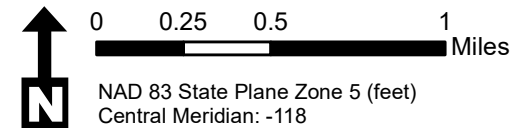
- Extraction Well
- Extraction Well
- Well Discharge Pipelines
- Stockdale East
- Stockdale West
- Strand Ranch

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

G-1






Irvine Ranch
WATER DISTRICT

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

MAP FEATURES

-  Turnouts
-  Stockdale West
-  Strand Ranch

**Existing Siphon
50 CFS Capacity
From Strand**

Stockdale Highway

**Stockdale West
Turnout
100 CFS Capacity**

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

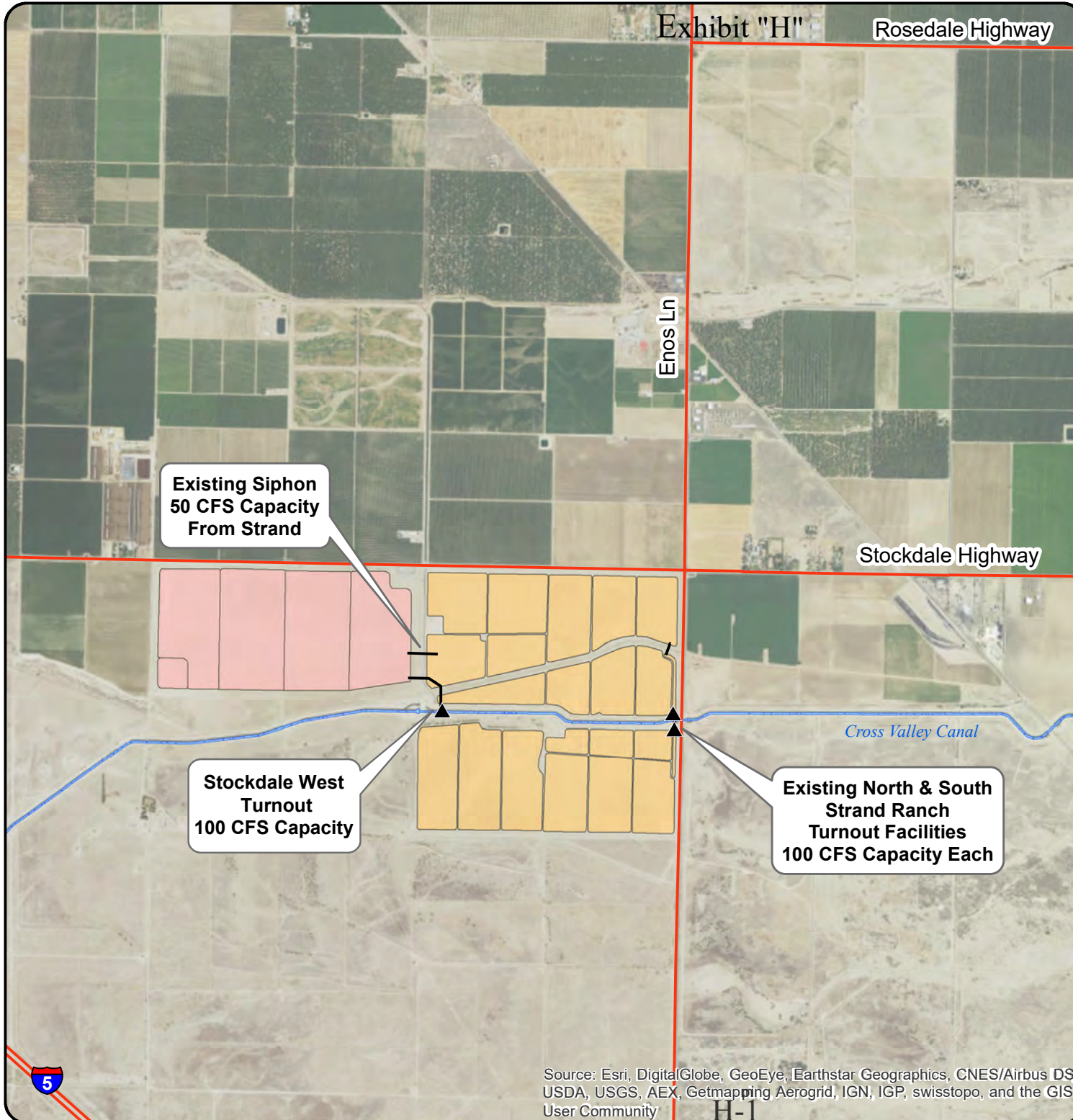
Cross Valley Canal

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



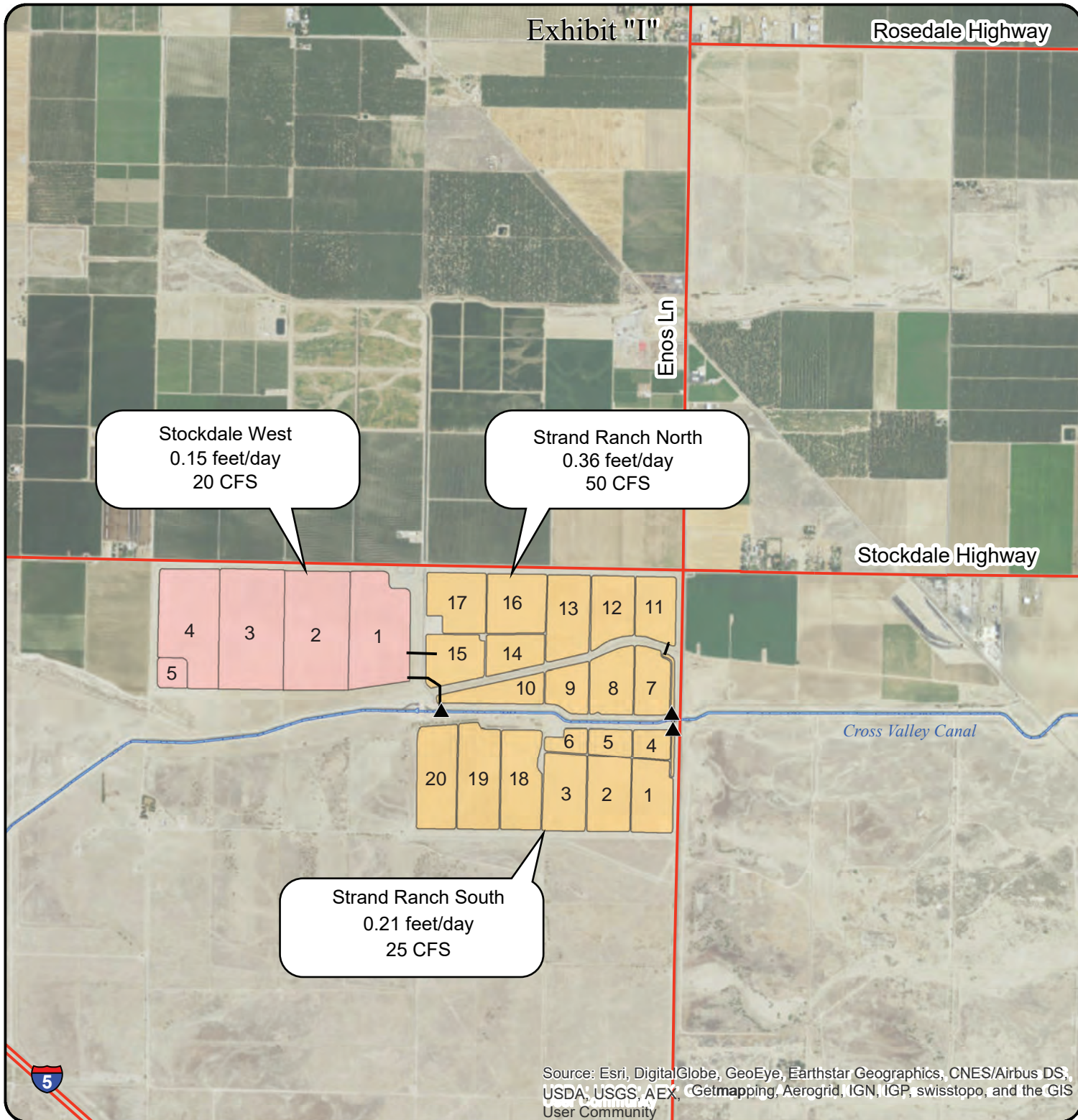
0 0.25 0.5 1
Miles

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





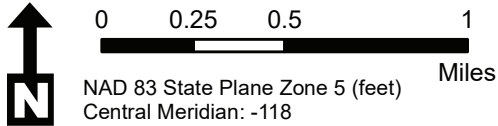
Location Map: IRWD Water Banking Projects Recharge Rates



MAP FEATURES

- ▲ Turnouts
- Stockdale West
- Strand Ranch

This figure shows the location of recharge basins and their associated recharge rates as of August 22, 2023.



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

Note: This page is intentionally left blank.

Exhibit "J"

IRWD-Rosedale Water Banking and Exchange Program Agreements

Effective 1/12/2009 through 1/12/2039 (Strand Ranch)
2/4/2016 through 1/12/2039 (Stockdale West)

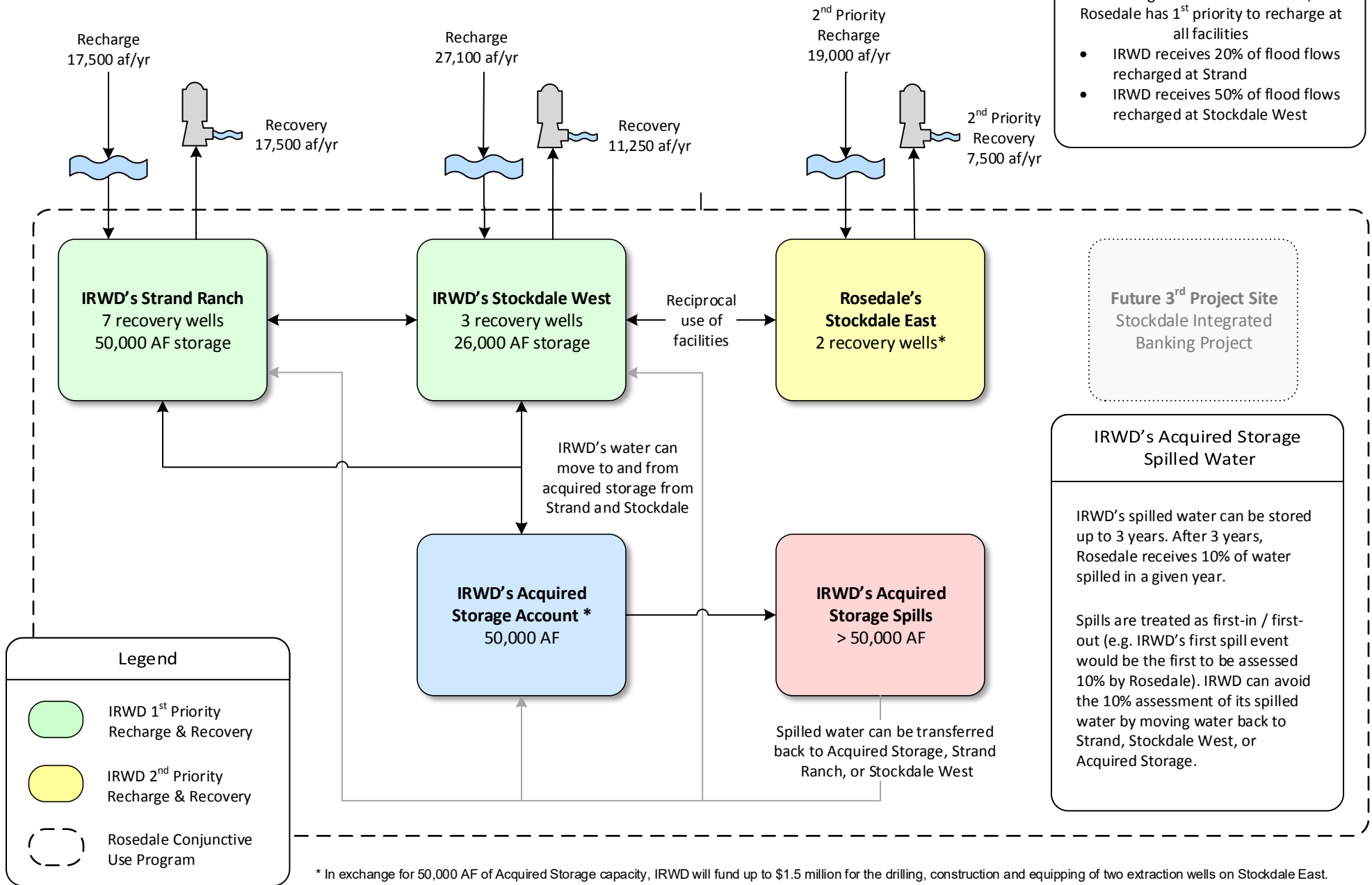
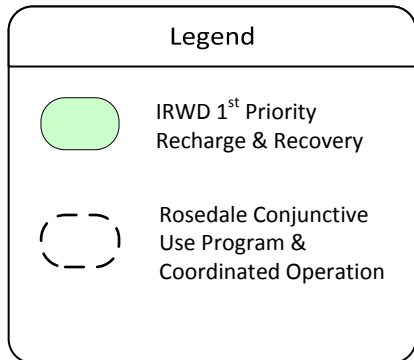
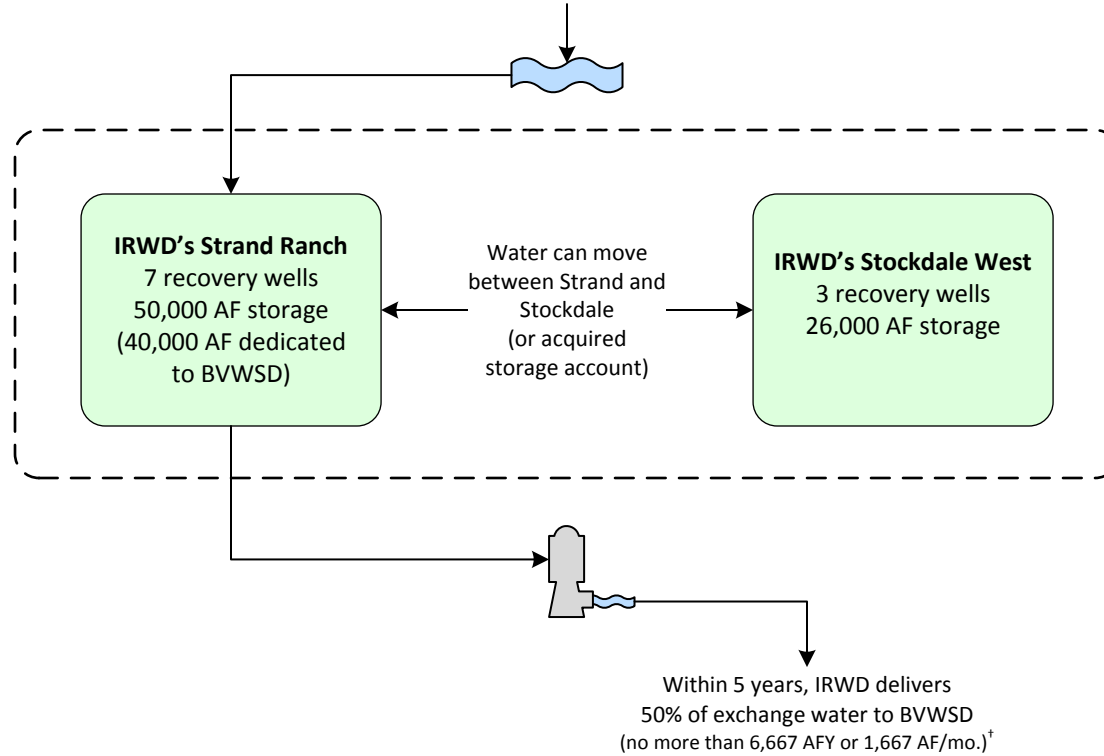


Exhibit "K"

Buena Vista Water Storage District Long Term Water Exchange Program

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

BVWSD delivers non-SWP water to Strand Ranch
(IRWD receives 50%)
 (Up to 17,500 AFY or 4,375 AF/mo.)



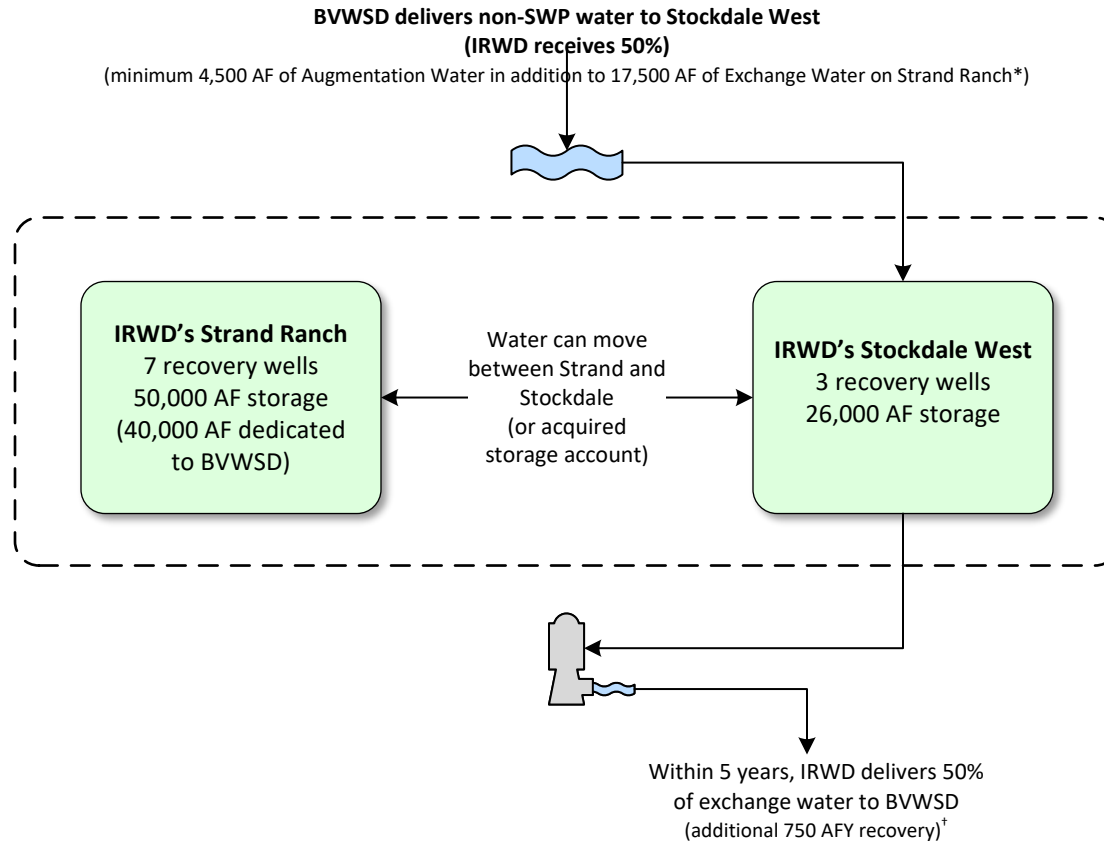
[†]IRWD shall remit one-half of the exchanged supply less one-half of reasonable losses back to BV no later than December 31st of the 4th year following the associated recharge event. IRWD pays for recovery of water returned to BV. Water to be remitted back to BV may remain in storage at Strand Ranch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

Exhibit "K"

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

Effective 6/28/2023 through 12/31/2023



Legend	
	IRWD 1 st Priority Recharge & Recovery
	Rosedale Conjunctive Use Program & Coordinated Operation

* IRWD agrees to pay BV \$25 per AF for IRWD's share of the Augmentation Water and Exchange Water

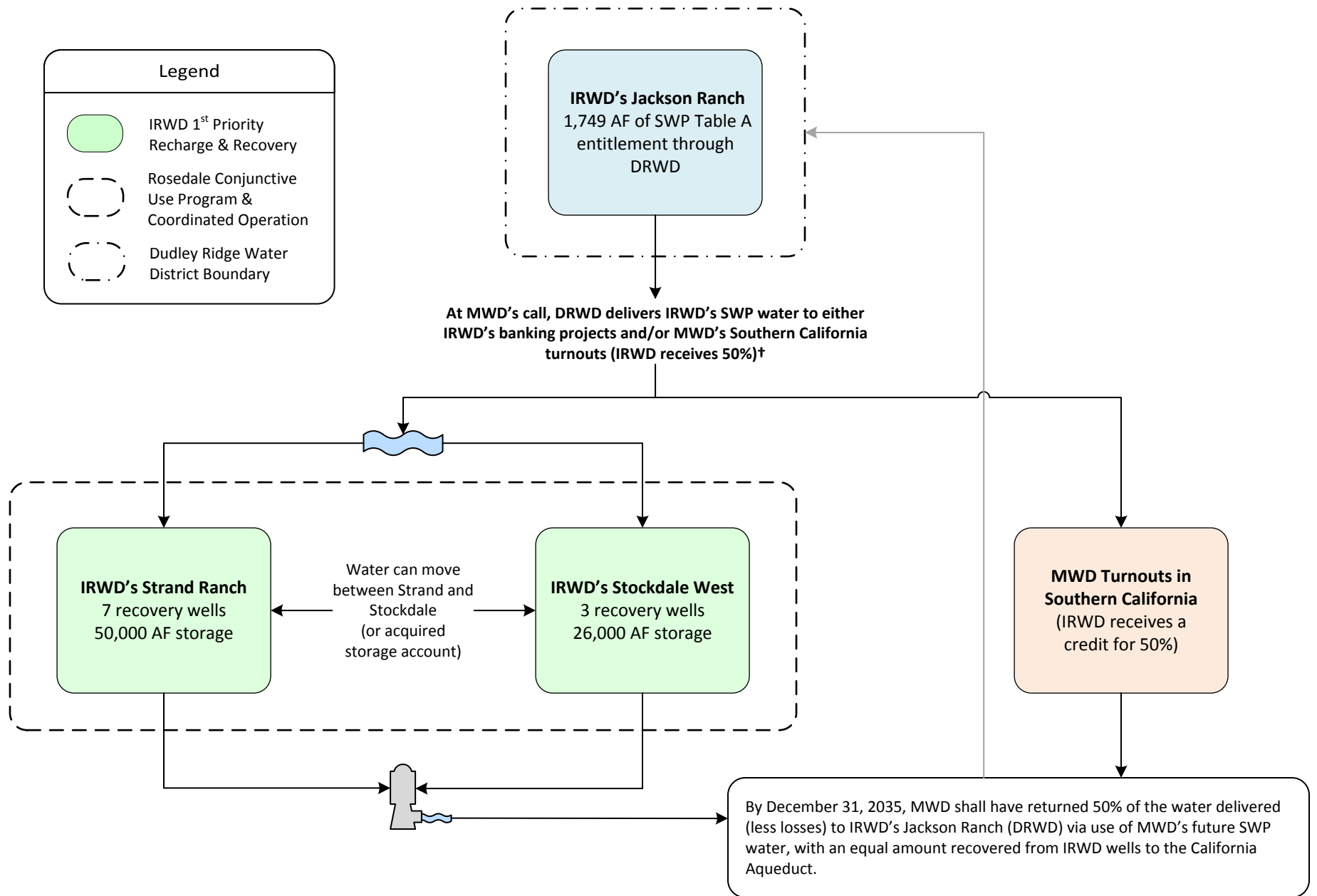
†IRWD shall remit one-half of the exchanged supply less one-half of reasonable losses back to BV no later than December 31st of the 4th year following the associated recharge event. BV pays for recovery of its share of Augmentation Water. Water to be remitted back to BV may remain in storage at Strand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

Exhibit "L"

Dudley Ridge Water District (DRWD) Unbalanced Exchange Program

Up to 12,240 AF delivered from 6/7/2018 through 12/31/2027



†Consistent with IRWD-MWD coordinated operating agreement.

Exhibit "M"

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

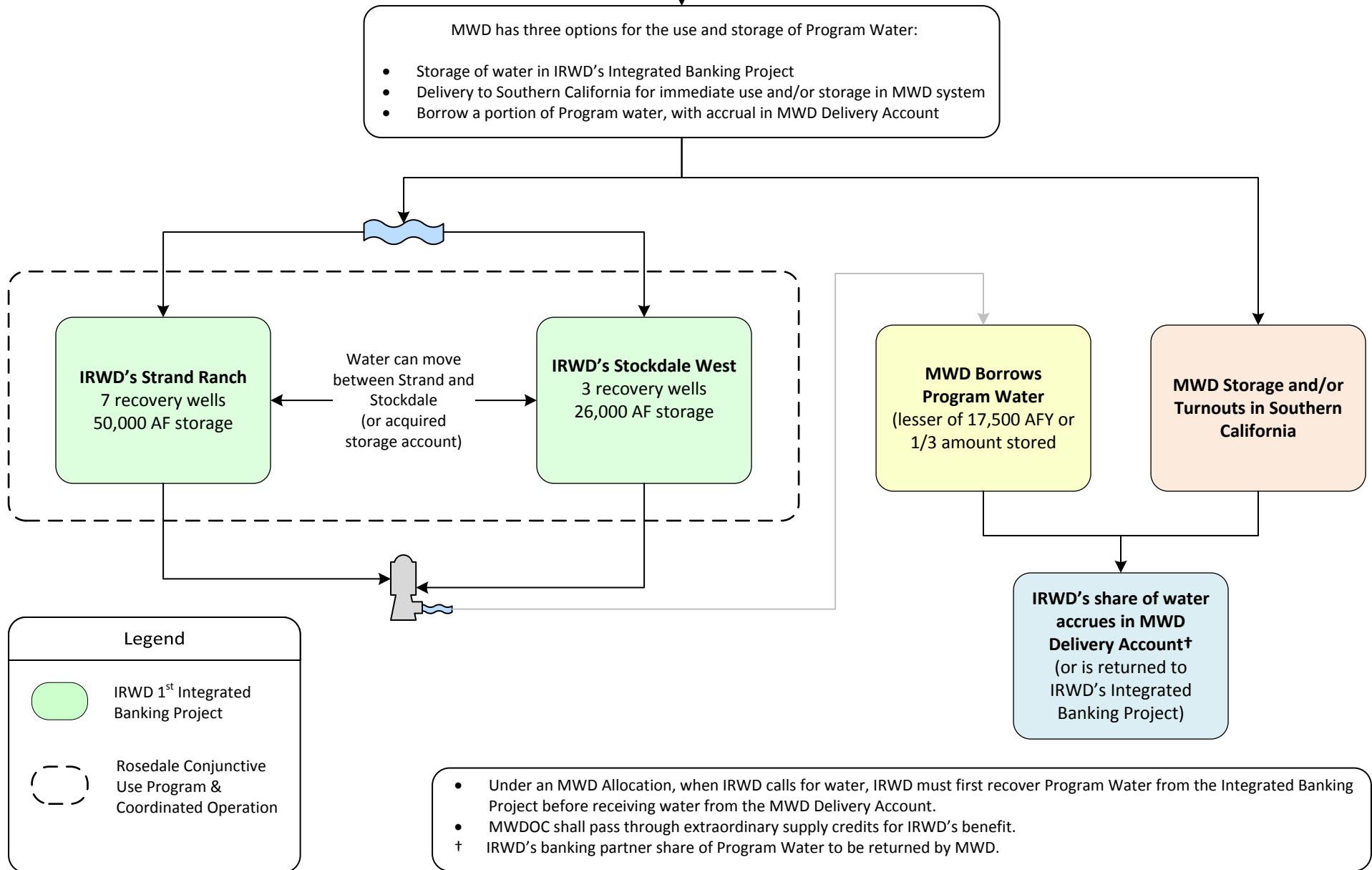
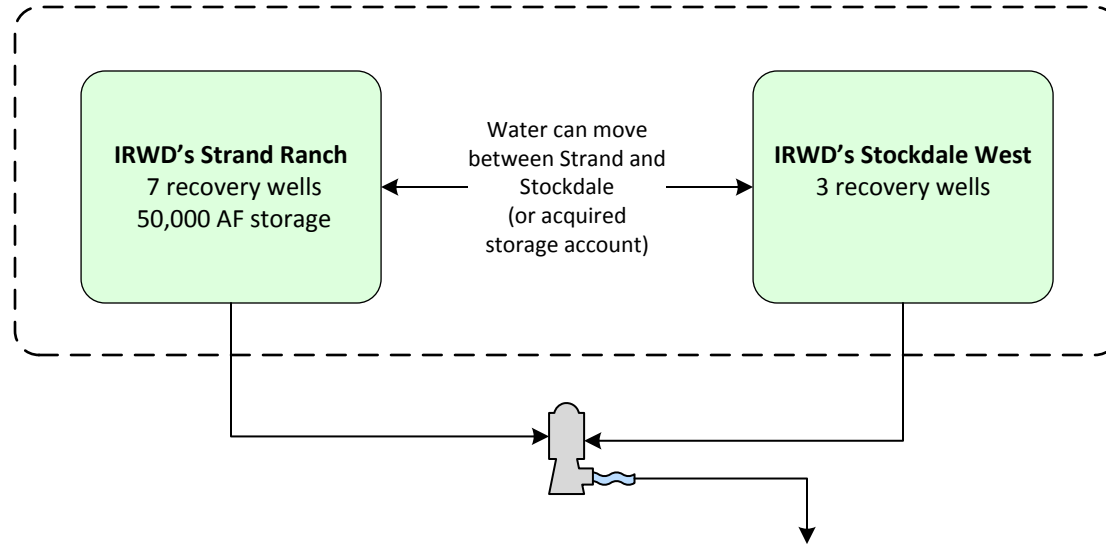
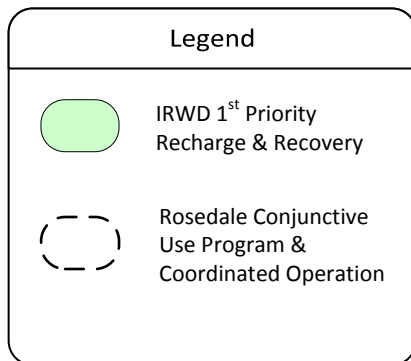


Exhibit "N"

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



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



*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.

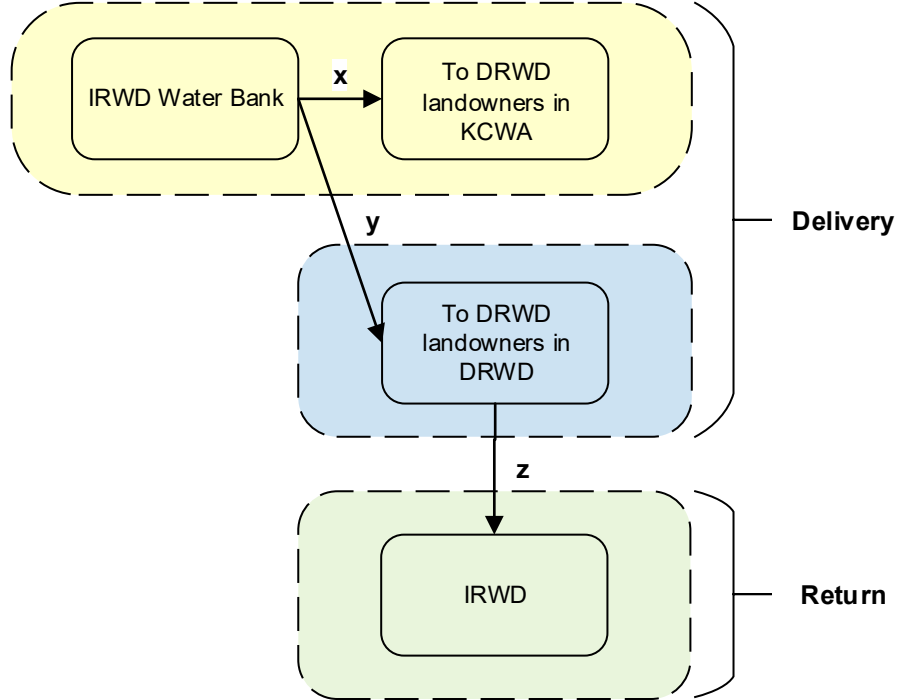
Exhibit "O"

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)

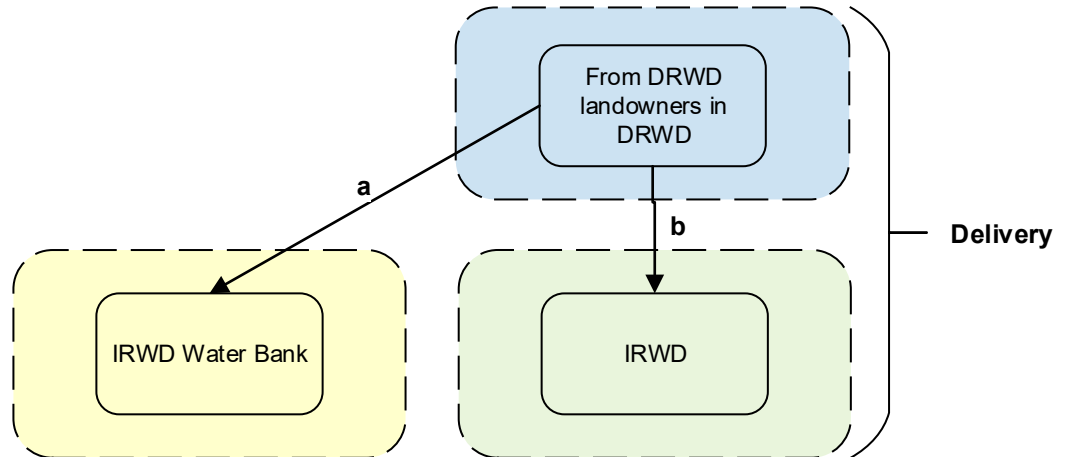
x= Non-Project Water required to stay in Kern County
 y= Non-Project Water allowed to leave Kern County
 z= DRWD Table A Water equal to x+y less applicable losses, if any

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

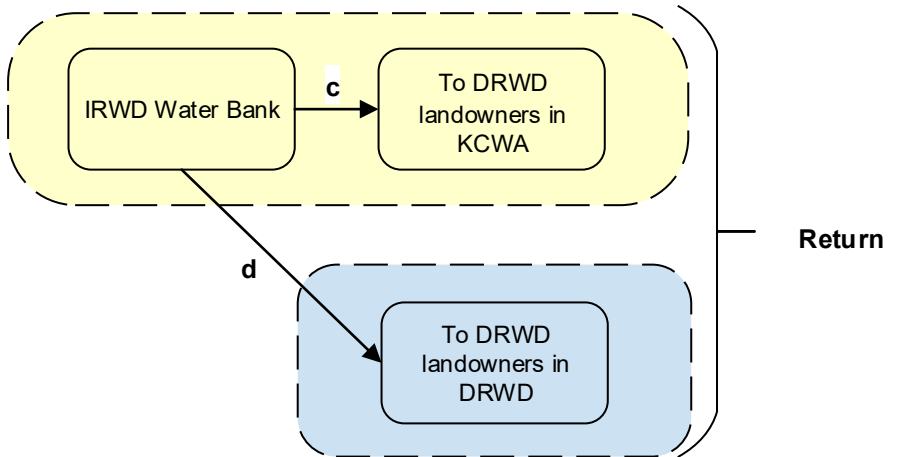
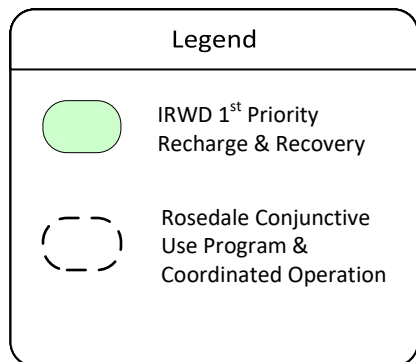
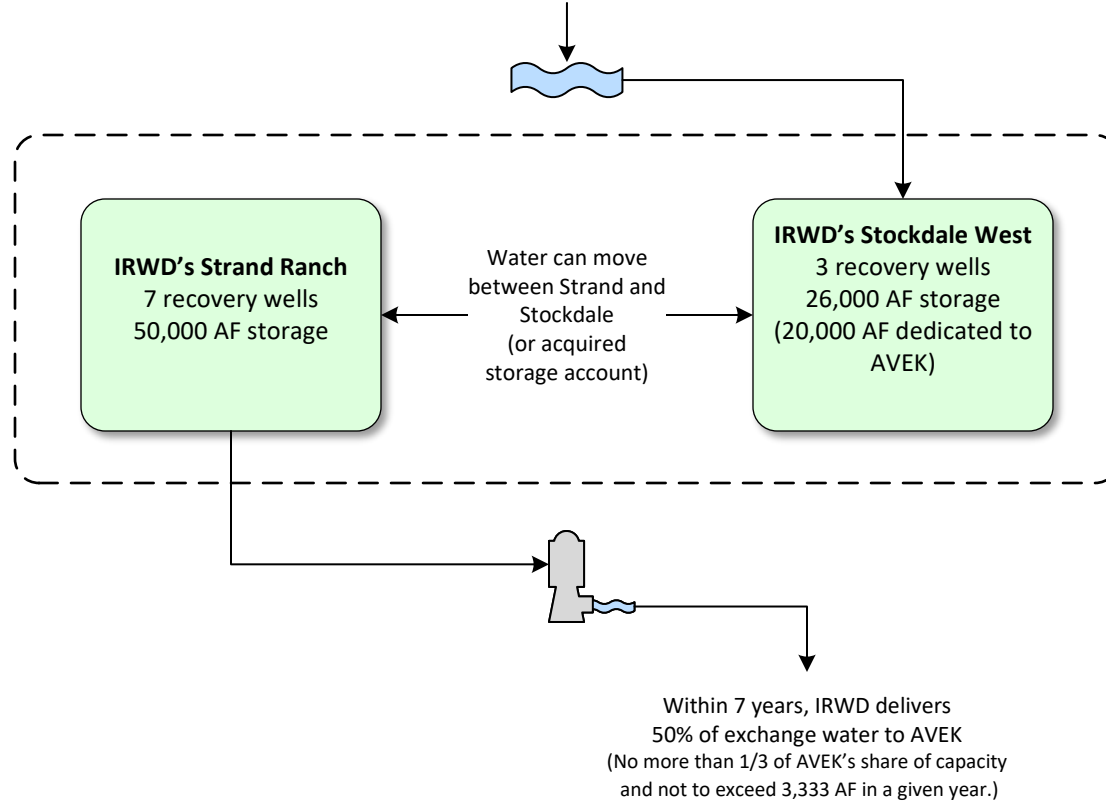


Exhibit "P"

Antelope Valley-East Kern Water Agency (AVEK) Long Term Water Exchange Program Effective 12/21/2018 through 12/31/2035

AVEK delivers SWP water to IRWD Water Bank
(IRWD receives 50%)
(Up to 20,000 AFY or 2,200 AF/mo.)*



*Up to 20,000 AF per year of AVEK Exchange Water may be delivered to IRWD for recharge using recharge facilities at the Strand Ranch and Stockdale West for storage in the Stockdale West Bank. IRWD shall remit one-half of stored supplies less one half of losses back to AVEK no later than December 31st of the 7th year, following the associated recharge event.

Exhibit "Q"

TABLE 6
IRWD Water Banking Program Costs of Water Summary
 September 21, 2023

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

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

² Variable Costs include recharge variable operating costs (\$5.00/AF), Rosedale administration fees (\$3.00/AF), CVC pumping (\$9.00/AF), operating and stand-by fees (\$3.50/AF), and KCWA fees (\$5.00/AF) plus \$3,000 per transaction request. IRWD pays Buena Vista recovery costs. (Net of partner payments to IRWD for their share of water)

³ Fixed costs include IRWD share of fixed operating costs (\$25.00/AF), annual property taxes (\$88,000), PG&E standby costs (up to \$5,000/year) GSP fees (\$8,450/year) and CVC expansion costs (\$28,000/year)

⁴ Capital component does not include land costs. Add \$40/AF to include water banking land purchase costs.

⁵ Increased PG&E costs for recovering water.

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

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

Exhibit “R”

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

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

Summary of Benefits to IRWD:

1. IRWD benefits from all State Water Project (SWP) water IRWD secures; Metropolitan’s borrowing of this water is temporary.
2. On behalf of IRWD, Metropolitan uses its SWP exchange and conveyance capacities to move IRWD’s water for banking.
3. IRWD can “store” water in Metropolitan’s system as a credit, freeing up space in IRWD’s Water Bank with the water stored closer to the IRWD service area.
4. IRWD does not incur conveyance or evaporation losses on its water that is conveyed in Metropolitan’s system and stored in Metropolitan’s reservoirs.
5. IRWD avoids groundwater recovery (pumping) costs when Metropolitan issues a credit for IRWD’s SWP supplies in Southern California (currently \$122/AF¹).
6. IRWD pays Metropolitan’s melded system power rate – currently \$167/AF, not DWR’s current power costs of \$395/AF² (\$228/AF savings).
7. Deliveries are on-demand to IRWD at its service connections in Orange County, which are not subject to lower priorities for wheeling.
8. Metropolitan pays all SWP costs, including variable OMP&R supply costs, associated with SWP water secured by IRWD³.
9. IRWD pays Metropolitan’s Full-Service Tier-1 Untreated Rate, which is currently \$799/AF, for deliveries at its service connections allowing IRWD to avoid higher Metropolitan wheeling charges currently estimated at \$856/AF⁴.
10. IRWD only pays once for supply at the current Tier-1 Supply Rate of \$243/AF.
11. Deliveries to IRWD’s service area qualify as Extraordinary Supply during a Water Supply Allocation, allowing IRWD to avoid Metropolitan’s Allocation Surcharge of between \$1,480/AF and \$2,960/AF.
12. IRWD increases local water supply reliability for its ratepayers.

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

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

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

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

Exhibit “R”

Summary of IRWD’s Coordinated Operating, Water Storage, Exchange and Delivery Agreement with Metropolitan and MWDOC

February 14, 2023

Page 2 of 2

Summary of Benefits to MWD:

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

Exhibit "S"


TABLE 7

IRWD 2023 Recharge Operations- BEFORE LOSSES

September 21, 2023

Actual and Forecasted Amounts:

Month	Central Coast (AF)	IRWD Table A (AF)	BV (AF)	DRWD 1:1 (AF)	IRWD Article 21 (AF)	AVEK (AF)	Total (AF)	Status	Expected Recharge (AF)	Expected Recharge Rate (CFS)
March	-	1,312	-	-	-	-	1,312	prelim	1,312	200
April	-	437	7,562	4,068	-	-	12,067	prelim	12,067	203
May	-	-	6,069	2,628	-	-	8,697	prelim	8,697	141
June	-	-	3,869	1,815	-	-	5,684	prelim	5,684	92
West Enos (June)	-	-	356	-	-	-	356	prelim	356	6
July	-	-	1,004	583	-	-	1,587	prelim	1,587	26
West Enos (July)	-	-	264	264	-	-	528	prelim	528	8.6
August	-	-	1,954	-	-	-	1,954	prelim	1,954	31.8
West Enos (Aug)	-	-	922	-	-	-	922	prelim	922	15
	-	1,749	22,000	9,358	-	-	33,107		33,107	
September	-	-	-	1,190	-	-	1,190		1,190	20
West Enos (Sept)	-	-	-	893	-	-	893		893	15
	-	1,749	22,000	11,441	-	-	35,189		2,083	35
October	450	-	-	-	-	780	1,230		1,230	20
West Enos (Oct)	-	-	-	-	-	922	922		922	15
	450	1,749	22,000	11,441	-	1,702	37,341		2,152	35
November	-	-	-	-	-	1,190	1,190		1,190	20
West Enos (Nov)	-	-	-	-	-	893	893		893	15
	450	1,749	22,000	11,441	-	3,785	39,424		2,083	35
December	-	-	-	-	-	1,230	1,230		1,230	20
West Enos (Dec)	-	-	-	-	-	922	922		922	15
	450	1,749	22,000	11,441	-	5,937	41,576		2,152	35
Recharge goal:	450	1,749	17,500	10,000	8,000	10,000	47,699			
Recharge goal with Additional BV:	450		4,500				52,199			

September 21, 2023
Prepared by: M. Lindsay / K. Welch
Submitted by: F. Sanchez / P. Weghorst
Approved by: Paul A. Cook 

SUPPLY RELIABILITY PROGRAMS COMMITTEE

UPDATE ON DEPARTMENT OF WATER RESOURCES TEMPLATE AGREEMENTS

SUMMARY:

In 2021, the State Water Project (SWP) Contractors and the California Department of Water Resources (DWR) amended the SWP Water Supply Contracts to provide greater flexibility in implementing water transfers and exchanges while also providing for improved water management. This amendment is referred to as the “Water Management Amendment.” Consistent with this amendment, DWR has drafted two template agreements to facilitate unbalanced exchanges of water associated with IRWD’s Water Bank. The first agreement implements two separate transfers of water and the second agreement allows for the storage of IRWD’s share of the water in the IRWD Water Bank.

At the Committee meeting, staff will provide an overview of the draft DWR template agreements.

BACKGROUND:

DWR administers long-term SWP water supply contracts with the 29 SWP Contractors. These agreements govern how the SWP Contractors can manage their water supplies by implementing water transfers and exchanges. In 2021, the SWP Contractors and DWR approved the Water Management Amendment to provide more flexibility in implementing water transfers and exchanges. A copy of Metropolitan Water District’s Water Management Amendment is provided as Exhibit “A”. Under the Water Management Amendment, SWP Contractors may facilitate one-way, non-permanent transfers (including sales) with more flexibility.

Implementing Exchanges as Two Transfers:

IRWD secures water supplies for its water banking projects through unbalanced exchange programs. These programs allow IRWD’s SWP Contractor exchange partners to store excess SWP water in the IRWD Water Bank, with IRWD receiving half of the water through Metropolitan Water District and the other half being returned to the exchange partner in the future. With the new flexibility provided under the Water Management Amendment, DWR’s preferred approach going forward is to structure these unbalanced exchanges as a two concurrent transfers as described below:

Transfer 1 – The delivery and temporary storage of half of the SWP Contractor’s designated SWP water at the IRWD Water Bank for later recovery and use within the SWP Contractor’s service area.

Transfer 2 – The transfer of the other half of the SWP Contractor’s water to Metropolitan on behalf of IRWD.

Supply Reliability Programs Committee: Update on Department of Water Resources Template Agreements

September 21, 2023

Page 2

The two concurrent transfers will replicate a traditional unbalanced exchange, whereby IRWD receives one-half of the water and the other half is stored and later returned to the banking partner. This approach is expected to streamline DWR approvals.

DWR Template Agreements:

To implement the two transfers approach described above, DWR has drafted two template agreements. The first draft template agreement provides for an IRWD banking partner to deliver and store half of its designated SWP water in the IRWD Water Bank for later return to the exchange partner. The first template agreement also transfers the other half of the water to Metropolitan for IRWD's benefit. The second template agreement allows for the water transferred to Metropolitan under the first agreement to be stored in the IRWD Water Bank on behalf of IRWD.

DWR is currently implementing the template approach to facilitate deliveries of water from Antelope Valley-East Kern Water Agency (AVEK) consistent with IRWD's long-term unbalanced exchange program with AVEK. Exhibit "B" demonstrates the use of the first template agreement to effectuate two transfers of water associated with the AVEK deliveries. Exhibit "C" demonstrates the use of the second template agreement, to facilitate the storage of the half of the water transferred to Metropolitan on behalf of IRWD in the IRWD Water Bank.

At the Committee meeting, staff will provide an overview of both agreements.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – State Water Project Water Management Amendment to the Water Supply Contract

Exhibit "B" – Draft Template Agreement for Short-Term Transfers of AVEK SWP Supplies Replicating an Unbalanced Exchange

Exhibit "C" – Draft Template Agreement for Storage of Metropolitan SWP Supplies on Behalf IRWD in the IRWD Water Bank

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 30 (THE WATER MANAGEMENT AMENDMENT)
TO WATER SUPPLY CONTRACT
BETWEEN
THE STATE OF CALIFORNIA DEPARTMENT OF WATER RESOURCES
AND
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

THIS AMENDMENT to the Water Supply Contract is made this _____ day of _____, 20____ pursuant to the provisions of the California Water Resources Development Bond Act, the Central Valley Project Act, and other applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources, herein referred to as the "State," and The Metropolitan Water District of Southern California, herein referred to as the "District."

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RECITALS

- A. The State and the District entered into and subsequently amended a water supply contract (the “contract”), dated November 4, 1960, providing that the State shall supply certain quantities of water to the District and providing that the District shall make certain payments to the State, and setting forth the terms and conditions of such supply and such payments; and
- B. The State and the District, in an effort to manage water supplies in a changing environment, explored non-structural solutions to provide greater flexibility in managing State Water Project (SWP) water supplies; and
- C. The State and the District, in an effort to support the achievement of the coequal goals for the Delta set forth in the Delta Reform Act, sought solutions to develop water supply management practices to enhance flexibility and reliability of SWP water supplies while the District is also demonstrating its commitment to expand its water supply portfolio by investing in local water supplies; and
- D. The State and the District, in response to the Governor’s Water Resiliency Portfolio, wish to maintain and diversify water supplies while protecting and enhancing natural systems without changing the way in which the SWP operates; and
- E. The State and the District sought to create a programmatic solution through transfers or exchanges of SWP water supplies that encourages regional approaches among water users sharing watersheds and strengthening partnerships with local water agencies, irrigation districts, and other stakeholders; and
- F. The State and the District, in an effort to comply with the Open and Transparent Water Data Platform Act (Assembly Bill 1755), sought means to create greater transparency in water transfers and exchanges; and
- G. The State, the District and representatives of certain other SWP Contractors have negotiated and agreed upon a document (dated May 20, 2019), the subject of which is “ Draft Agreement in Principle for the SWP Water Supply Contract Amendment for Water Management” (the “Agreement in Principle”); and
- H. The Agreement in Principle describes that the SWP Water Supply Contract Amendment for Water Management “supplements and clarifies terms of the SWP water supply contract that will provide greater water management regarding transfers and exchanges of SWP water within the SWP service area”; the principles agreed to achieve this without relying upon increased SWP diversions or changing the way in which the SWP operates, and are consistent with all applicable contract and regulatory requirements; and

- I. The State, the District and those Contractors intending to be subject to the contract amendments contemplated by the Agreement in Principle subsequently prepared an amendment to their respective Contracts to implement the provisions of the Agreement in Principle, and such amendment was named the “SWP Water Supply Contract Amendment for Water Management”; and
- J. The State and the District desire to implement continued service through the contract and under the terms and conditions of this “SWP Water Supply Contract Amendment for Water Management”;

NOW, THEREFORE, IT IS MUTUALLY AGREED that the following changes and additions are hereby made to the District's water supply contract with that State:

AMENDED CONTRACT TEXT

ARTICLE 1 IS AMENDED TO ADD THE FOLLOWING DEFINITIONS, PROVIDED THAT IF THIS WATER MANAGEMENT AMENDMENT TAKES EFFECT BEFORE THE CONTRACT EXTENSION AMENDMENT TAKES EFFECT, THE ADDITIONS HEREIN SHALL CONTINUE IN EFFECT AFTER THE CONTRACT EXTENSION AMENDMENT TAKES EFFECT NOTWITHSTANDING THE CONTRACT EXTENSION AMENDMENT'S DELETION AND REPLACEMENT OF ARTICLE 1 IN ITS ENTIRETY:

1. Definitions

- (au) **"Article 56 Carryover Water"** shall mean water that the District elects to store under Article 56 in project surface conservation facilities for delivery in a subsequent year or years.

ARTICLES 21 and 56 ARE DELETED IN THEIR ENTIRETY AND REPLACED WITH THE FOLLOWING TEXT:

21. Interruptible Water Service

(a) Allocation of Interruptible Water

Each year from water sources available to the project, the State shall make available and allocate interruptible water to contractors in accordance with the procedure in Article 18(a). Allocations of interruptible water in any one year may not be carried over for delivery in a subsequent year, nor shall the delivery of interruptible water in any year impact the District's approved deliveries of Annual Table A Amount or the District's allocation of water for the next year. Deliveries of interruptible water in excess of the District's Annual Table A Amount may be made if the deliveries do not adversely affect the State's delivery of Annual Table A Amount to other contractors or adversely affect project operations. Any amounts of water owed to the District as of the date of this amendment pursuant to former Article 12(d), any contract provisions or letter agreements relating to wet weather water, and any Article 14(b) balances accumulated prior to 1995, are canceled. The State shall hereafter use its best efforts, in a manner that causes no adverse impacts upon other contractors or the project, to avoid adverse economic impacts due to the District's inability to take water during wet weather.

(b) Notice and Process for Obtaining Interruptible Water

The State shall periodically prepare and publish a notice to contractors describing the availability of interruptible water under this Article. To obtain a supply of interruptible water, including a supply from a transfer of interruptible water, the District shall execute a further agreement with the State. The State will timely process such requests for scheduling the delivery of the interruptible water.

(c) Rates

For any interruptible water delivered pursuant to this Article, the District shall pay the State the same (including adjustments) for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water as if such interruptible water were Table A Amount water, as well as all incremental operation, maintenance, and replacement costs, and any other incremental costs, as determined by the State. The State shall not include any administrative or contract preparation charge. Incremental costs shall mean those nonpower costs which would not be incurred if interruptible water were not scheduled for or delivered to the District. Only those contractors not participating in the repayment of the capital costs of a reach shall be required to pay any use of facilities charge for the delivery of interruptible water through that reach.

(d) Transfers of Interruptible Water

- (1) Tulare Lake Basin Water Storage District, Empire West-Side Irrigation District, Oak Flat Water District, and County of Kings may transfer to other contractors a portion of interruptible water allocated to them under subdivision (a) when the State determines that interruptible water is available.
- (2) The State may approve the transfer of a portion of interruptible water allocated under subdivision (a) to contractors other than those listed in (d)(1) if the contractor acquiring the water can demonstrate a special need for the transfer of interruptible water.
- (3) The contractors participating in the transfer shall determine the cost compensation for the transfers of interruptible water.

The transfers of interruptible water shall be consistent with Articles 56(d) and 57.

56. Use and Storage of Project Water Outside of Service Area and Article 56 Carryover Water

(a) State Consent to Use of Project Water Outside of Service Area

Notwithstanding the provisions of Article 15(a), the State hereby consents to the District storing Project Water in a groundwater storage program, project surface conservation facilities and in nonproject surface storage facilities located outside its service area for later use by the District within its service area and to the District transferring or exchanging Project Water outside its service area consistent with agreements executed under this contract.

(b) Groundwater Storage Programs

The District shall cooperate with other contractors in the development and establishment of groundwater storage programs. The District may elect to store Project Water in a groundwater storage program outside its service area for later use within its service area. There shall be no limit on the amount of Project Water the District can store outside its service area during any year in a then existing and operational groundwater storage program.

(1) Transfers of Annual Table A Amount stored in a groundwater storage program outside a contractor's service area.

In accordance with applicable water rights law and the terms of this Article, the District may transfer any Annual Table A Amount stored on or after the effective date of the Water Management Amendment in a groundwater storage program outside its service area to another contractor for use in that contractor's service area. These transfers must comply with the requirements of Articles 56(c)(4)(i)-(v), (6) and (7), and Article 57. The District will include these transfers in its preliminary water delivery schedule required in Article 12(a).

(2) Exchanges of any Annual Table A Amount stored in a groundwater storage program outside a contractor's service area.

In accordance with applicable water rights law and the terms of this Article, the District may exchange any Annual Table A

Amount stored on or after the effective date of the Water Management Amendment in a groundwater storage program outside its service area with another contractor for use in that contractor's service area. These exchanges must comply with the requirements in Article 56(c)(4)(i)-(v). The District shall include these exchanges in its preliminary water delivery schedule pursuant to Article 12(a).

(c) Article 56 Carryover Water and Transfers or Exchanges of Article 56 Carryover Water

- (1) In accordance with any applicable water rights laws, the District may elect to use Article 56 Carryover Water within its service area, or transfer or exchange Article 56 Carryover Water to another contractor for use in that contractor's service area in accordance with the provisions of subdivision (c)(4) of this Article. The District shall submit to the State a preliminary water delivery schedule on or before October 1 of each year pursuant to Article 12(a), the quantity of water it wishes to store as Article 56 Carryover Water in the next succeeding year, and the quantity of Article 56 Carryover Water it wishes to transfer or exchange with another contractor in the next succeeding year. The amount of Project Water the District can add to storage in project surface conservation facilities and in nonproject surface storage facilities located outside the District's service area each year shall be limited to the lesser of the percent of the District's Annual Table A Amount shown in column 2 or the acre-feet shown in column 3 of the following table, depending on the State's final Table A water supply allocation percentage as shown in column 1. For the purpose of determining the amount of Project Water the District can store, the final water supply allocation percentage shown in column 1 of the table below shall apply to the District. However, there shall be no limit to storage in nonproject facilities in a year in which the State's final water supply allocation percentage is one hundred percent. These limits shall not apply to water stored pursuant to Articles 12(e) and 14(b).

1. Final Water Supply Allocation Percentage	2. Maximum Percentage of District's Annual Table A Amount That Can Be Stored	3. Maximum Acre-Feet That Can Be Stored
50% or less	25%	100,000
51%	26%	104,000
52%	27%	108,000
53%	28%	112,000
54%	29%	116,000
55%	30%	120,000
56%	31%	124,000
57%	32%	128,000
58%	33%	132,000
59%	34%	136,000
60%	35%	140,000
61%	36%	144,000
62%	37%	148,000
63%	38%	152,000
64%	39%	156,000
65%	40%	160,000
66%	41%	164,000
67%	42%	168,000
68%	43%	172,000
69%	44%	176,000
70%	45%	180,000
71%	46%	184,000
72%	47%	188,000
73%	48%	192,000
74%	49%	196,000
75% or more	50%	200,000

- (2) Storage capacity in project surface conservation facilities at any time in excess of that needed for project operations shall be made available to requesting contractors for storage of project and Nonproject Water. If such storage requests exceed the available storage capacity, the available capacity shall be allocated among contractors requesting storage in proportion to their Annual Table A Amounts for that year. The District may store water in excess of its allocated share of capacity as long as capacity is available for such storage.
- (3) If the State determines that a reallocation of excess storage capacity is needed as a result of project operations or because of the exercise of a contractor's storage right, the available capacity shall be reallocated among contractors requesting storage in proportion to their respective Annual

Table A Amounts for that year. If such reallocation results in the need to displace water from the storage balance for any contractor or noncontractor, the water to be displaced shall be displaced in the following order of priority:

First, water, if any, stored for noncontractors;

Second, water stored for a contractor that previously was in excess of that contractor's allocation of storage capacity; and

Third, water stored for a contractor that previously was within that contractor's allocated storage capacity.

The State shall determine whether water stored in a project surface water conservation facility is subject to displacement and give as much notice as feasible of a potential displacement. If the District transfers or exchanges Article 56 Carryover Water pursuant to this subdivision to another contractor for storage in such facility, the State shall recalculate the amount of water that is subject to potential displacement for both contractors participating in the transfer or exchange. The State's recalculation shall be made pursuant to subdivision (4) of this Article.

(4) Transfers or Exchanges of Article 56 Carryover Water

The District may transfer or exchange its Article 56 Carryover Water as provided in this subdivision under a transfer or an exchange agreement with another contractor. Water stored pursuant to Articles 12(e) and 14(b) and Nonproject Water shall not be transferred or exchanged. Transfers or exchanges of Article 56 Carryover Water under this subdivision shall comply with subdivision (f) of this Article and Article 57 as applicable, which shall constitute the exclusive means to transfer or exchange Article 56 Carryover Water.

On or around January 15 of each year, the State shall determine the maximum amount of Article 56 Carryover Water as of January 1 that will be available for transfers or exchanges during that year. The State's determination shall be consistent with subdivisions (c)(1) and (c)(2) of this Article.

The State shall timely process requests for transfers or exchanges of Article 56 Carryover Water by participating contractors. After execution of the transfer or exchange agreement between the State and the contractors participating in the transfer or exchange, the State shall recalculate each contractor's storage amounts for the contractors participating in the transfer or exchange. The State's recalculation shall result in an increase by an amount of water within the storage amounts for the contractor receiving the water and a decrease by the same amount of water for the contractor transferring or exchanging water. The State's recalculation shall be based on the criteria set forth in the State's transfer or exchange agreement with the participating contractors. The State's calculations shall also apply when a contractor uses Article 56 Carryover Water to complete an exchange.

Transfers and exchanges of Article 56 Carryover Water shall meet all of the following criteria:

- (i) Transfers or exchanges of Article 56 Carryover Water are limited to a single-year. Project Water returned as part of an exchange under subdivision (c)(4) may be returned over multiple years.
- (ii) The District may transfer or exchange an amount up to fifty percent (50%) of its Article 56 Carryover Water to another contractor for use in that contractor's service area.
- (iii) Subject to approval of the State, the District may transfer or exchange an amount greater than 50% of its Article 56 Carryover Water to another contractor for use in that contractor's service area. The District seeking to transfer or exchange greater than 50% of its Article 56 Carryover Water shall submit a written request to the State for approval. The District making such a request shall demonstrate to the State how it will continue to meet its critical water needs in the current year of the transfer or exchange and in the following year.

- (iv) The contractor receiving the water transferred or exchanged under subdivisions (4)(i) or (ii) above shall confirm in writing to the State its need for the water that year and shall take delivery of the water transferred or exchanged in the same year.
 - (v) Subject to the approval of the State, the District may seek an exception to the requirements of subdivisions (4)(i), (ii), and (iii) above. The District seeking an exception shall submit a written request to the State demonstrating to the State the need for 1) using project surface conservation facilities as the transfer or exchange point for Article 56 Carryover Water if the receiving contractor cannot take delivery of the transfer or exchange water in that same year, 2) using project surface conservation facilities for the transfer or exchange of one contractor's Article 56 Carryover Water to another contractor to reduce the risk of the water being displaced, or 3) for some other need.
- (5) The restrictions on storage of Project Water outside the District's service area provided for in this subdivision (c), shall not apply to storage in any project off-stream storage facilities constructed south of the Delta after the date of the Monterey Amendment.
- (6) For any Project Water stored outside its service area pursuant to subdivisions (b) and (c), the District shall pay the State the same (including adjustments) for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water as the District pays for the transportation of Annual Table A Amount to the reach of the project transportation facility from which the water is delivered to storage. If Table A Amount is stored, the Delta Water Charge shall be charged only in the year of delivery to interim storage. For any stored water returned to a project transportation facility for final delivery to its service area, the District shall pay the State the same for power resources (including on-aqueduct, off-aqueduct, and any other power) incurred in the transportation of such water calculated from the point of

return to the aqueduct to the turn-out in the District's service area. In addition, the District shall pay all incremental operation, maintenance, and replacement costs, and any other incremental costs, as determined by the State, which shall not include any administrative or contract preparation charge. Incremental costs shall mean those nonpower costs which would not be incurred if such water were scheduled for or delivered to the District's service area instead of to interim storage outside the service area. Only those contractors not participating in the repayment of a reach shall be required to pay a use of facilities charge for use of a reach for the delivery of water to, or return of water from, interim storage.

- (7) If the District elects to store Project Water in a nonproject facility within the service area of another contractor it shall execute a contract with that other contractor prior to storing such water which shall be in conformity with this Article and will include at least provisions concerning the point of delivery and the time and method for transporting such water.

(d) Non-Permanent Water Transfers of Project Water

Notwithstanding the provisions of Article 15(a), the State hereby consents to the District transferring Project Water outside its service area in accordance with the following:

- (1) The participating contractors shall determine the duration and compensation for all water transfers, including single-year transfers, Transfer Packages and multi-year transfers.
- (2) The duration of a multi-year transfer shall be determined by the participating contractors to the transfer, but the term of the transfer agreement shall not extend beyond the term of the Contract with the earliest term.
- (3) A Transfer Package shall be comprised of two or more water transfer agreements between the same contractors. The State shall consider each proposed water transfer within the package at the same time and shall apply the transfer criteria pursuant to Article 57 in the review and approval of each transfer. The State shall not consider a Transfer Package as an exchange.

(e) Continuance of Article 12(e) Carry-over Provisions

The provisions of this Article are in addition to the provisions of Article 12(e), and nothing in this Article shall be construed to modify or amend the provisions of Article 12(e). Any contractor electing to transfer or exchange Project Water during any year in accordance with the provisions of subdivision (c) of this Article, shall not be precluded from using the provisions of Article 12(e) for carrying over water from the last three months of that year into the first three months of the succeeding year.

(f) Bona Fide Exchanges Permitted

Notwithstanding the provisions of Article 15(a), the State hereby consents to the District exchanging Project Water outside its service area consistent with this Article. Nothing in this Article shall prevent the District from entering into bona fide exchanges of Project Water for use outside the District's service area with other parties for Project Water or Nonproject Water if the State consents to the use of the Project Water outside the District's service area. Also, nothing in this Article shall prevent the District from continuing those exchange or sale arrangements entered into prior to September 1, 1995. Nothing in this Article shall prevent the District from continuing those exchange or sale arrangements entered into prior to the effective date of this Amendment which had previously received any required State approvals. The State recognizes that the hydrology in any given year is an important factor in exchanges. A "bona fide exchange" shall mean an exchange of water involving the District and another party where the primary consideration for one party furnishing water to another party is the return of a substantially similar amount of water, after giving due consideration to the hydrology, the length of time during which the water will be returned, and reasonable payment for costs incurred. In addition, the State shall consider reasonable deductions based on expected storage or transportation losses that may be made from water delivered. The State may also consider any other nonfinancial conditions of the return. A "bona fide exchange" shall not involve a significant payment unrelated to costs incurred in effectuating the exchange. The State, in consultation with the contractors, shall have authority to determine whether a proposed exchange of water constitutes a "bona fide exchange" within the meaning of this paragraph and not a disguised sale.

Exchanges of Project Water

Exchanges of Project Water shall be consistent with Article 57. In addition, the State shall apply the following criteria to its review of each exchange of Project Water as set forth below:

(1) **Exchange Ratio**

Exchange ratio shall mean the amount of water delivered from a contractor's project supply in a year to another contractor compared to the amount of water returned to the first contractor in a subsequent year by the other contractor. All exchanges shall be subject to the applicable exchange ratio in this Article as determined by the allocation of available supply for the Annual Table A Amount at the time the exchange transaction between the contractors is executed.

- (a) For allocations greater than or equal to 50%, the exchange ratio shall be no greater than 2 to 1.
- (b) For allocations greater than 25% and less than 50%, the exchange ratio shall be no greater than 3 to 1.
- (c) For allocations greater than 15% and less than or equal to 25%, the exchange ratio shall be no greater than 4 to 1.
- (d) For allocations less than or equal to 15%, the exchange ratio shall be no greater than 5 to 1.

(2) **Cost Compensation**

The State shall determine the maximum cost compensation calculation using the following formula:

The numerator shall be the exchanging contractor's conservation minimum and capital and transportation minimum and capital charges, including capital surcharges. DWR will set the denominator using the State Water Project allocation which incorporates the May 1 monthly Bulletin 120 runoff forecast.

If the District submits a request for approval of an exchange prior to May 1, the State shall provide timely approval with the obligation of the contractors to meet the requirement of the maximum compensation. If the maximum compensation is exceeded because the agreement between the

contractors is executed prior to the State Water Project allocation as defined in (c)(2) above, the contractors will revisit the agreement between the two contractors and make any necessary adjustments to the compensation. If the contractors make any adjustments to the compensation, they shall notify the State.

(3) Period During Which the Water May Be Returned:

The period for the water to be returned shall not be greater than 10 years and shall not go beyond the expiration date of this Contract. If the return of the exchange water cannot be completed within 10 years, the State may approve a request for an extension of time.

(g) Other Transfers

Nothing in this Article shall modify or amend the provisions of Articles 15(a), 18(a) or Article 41, except as expressly provided for in subdivisions (c) and (d) of this Article and in subdivision (d) of Article 21.

NEW CONTRACT ARTICLES

ARTICLE 57 IS ADDED TO THE CONTRACT AS A NEW ARTICLE AS FOLLOWS:

57. Provisions Applicable to Both Transfers and Exchanges of Project Water

- (a) Nothing in this Article modifies or limits Article 18 (a).
- (b) Transfers and exchanges shall not have the protection of Article 14(b).
- (c) The District may be both a buyer and seller in the same year and enter into multiple transfers and exchanges within the same year.
- (d) Subject to the State's review and approval, all transfers and exchanges shall satisfy the following criteria:
 - (1) Transfers and exchanges shall comply with all applicable laws and regulations.
 - (2) Transfers and exchanges shall not impact the financial integrity of the State Water Project, Transfers and exchange agreements shall include provisions to cover all costs to the State for the movement of water such as power costs and use of facility charge.
 - (3) Transfers and exchanges shall be transparent, including compliance with subdivisions (g) and (h) of this Article.
 - (4) Transfers and exchanges shall not harm other contractors not participating in the transfer or exchange.
 - (5) Transfers and exchanges shall not create significant adverse impacts to the service area of each contractor participating in the transfer or exchange.
 - (6) Transfers and exchanges shall not adversely impact State Water Project operations.
- (e) The District may petition the State and the State shall have discretion to approve an exception to the criteria set forth in subdivision (d) in the following cases:
 - (1) When a transfer or an exchange does not meet the criteria, but the District has determined that there is a compelling need to proceed with the transfer or exchange.

- (2) When the District has received water in a transfer or an exchange and cannot take all of the water identified in the transaction in the same year, the District may request to store its water consistent with Article 56(c), including in San Luis Reservoir.
- (f) The State will timely process such requests for scheduling the delivery of the transferred or exchanged water. Contractors participating in a transfer or an exchange shall submit the request in a timely manner.
- (g) The District shall, for each transfer or exchange it participates in, confirm to the State in a resolution or other appropriate document approving the transfer or exchange, including use of Article 56(c) stored water, that:
 - (1) The District has complied with all applicable laws.
 - (2) The District has provided any required notices to public agencies and the public.
 - (3) The District has provided the relevant terms to all contractors and to the Water Transfers Committee of the State Water Contractors Association.
 - (4) The District is informed and believes that the transfer or exchange will not harm other contractors.
 - (5) The District is informed and believes that the transfer or exchange will not adversely impact State Water Project operations.
 - (6) The District is informed and believes that the transfer or exchange will not affect its ability to make all payments, including payments when due under its Contract for its share of the financing costs of the State's Central Valley Project Revenue Bonds.
 - (7) The District has considered the potential impacts of the transfer or exchange within its service area.
- (h) **Dispute Resolution Process Prior to Executing an Agreement**

The State and the contractors shall comply with the following process to resolve disputes if a contractor that is not participating in the transfer or exchange claims that the proposed transfer and/or exchange has a significant adverse impact.

- (1) Any claim to a significant adverse impact may only be made after the District has submitted the relevant terms pursuant to Article

57(g)(3) and before the State approves a transfer or an exchange agreement.

- (2) In the event that any dispute cannot be resolved among the contractors, the State will convene a group including the Department's Chief of the State Water Project Analysis Office, the Department's Chief Counsel and the Department's Chief of the Division of Operations or their designees and the contractors involved. The contractor's representatives shall be chosen by each contractor. Any contractor claiming a significant adverse impact must submit written documentation to support this claim and identify a proposed solution. This documentation must be provided 2 weeks in advance of a meeting of the group that includes the representatives identified in this paragraph.
- (3) If this group cannot resolve the dispute, the issue will be taken to the Director of the Department of Water Resources and that decision will be final.

WATER MANAGEMENT AMENDMENT IMPLEMENTING AND ADMINISTRATIVE PROVISIONS

IT IS FURTHER MUTUALLY AGREED that the following provisions, which shall not be part of the Water Supply Contract text, shall be a part of this Amendment and be binding on the Parties.

1. EFFECTIVE DATE OF WATER MANAGEMENT AMENDMENT

- (a) The Water Management Amendment shall take effect (“Water Management Amendment effective date”) on the last day of the calendar month in which the State and 24 or more contractors have executed the Water Management Amendment, unless a final judgment by a court of competent jurisdiction has been entered that the Water Management Amendment is invalid or unenforceable or a final order has been entered that enjoins the implementation of the Water Management Amendment.
- (b) If any part of the Water Management Amendment of any contractor is determined by a court of competent jurisdiction in a final judgment or order to be invalid or unenforceable, the Water Management Amendments of all contractors shall be of no force and effect unless the State and 24 or more contractors agree any the remaining provisions of the contract may remain in full force and effect.
- (c) If 24 or more contractors have not executed the Water Management Amendment by February 28, 2021 then within 30 days the State, after consultation with the contractors that have executed the amendment, shall make a determination whether to waive the requirement of subdivision (a) of this effective date provision. The State shall promptly notify all contractors of the State’s determination. If the State determines, pursuant to this Article to allow the Water Management Amendment to take effect, it shall take effect only as to those consenting contractors.
- (d) If any contractor has not executed the Water Management Amendment within sixty (60) days after its effective date pursuant to subdivisions (a) through (c) of this effective date provision, this Amendment shall not take effect as to such contractor unless the contractor and the State, in its discretion, thereafter execute such contractor’s Water Management Amendment, in which case the Water Management Amendment effective date for purposes of that contractor’s Amendment shall be as agreed upon by the State and contractor, and shall replace the effective date identified in subdivision (a) for that contractor.

2. ADMINISTRATION OF CONTRACTS WITHOUT WATER MANAGEMENT AMENDMENT

The State shall administer the water supply contracts of any contractors that do not execute the Water Management Amendment in a manner that is consistent with the contractual rights of such contractors. These contractors' rights are not anticipated to be affected adversely or benefited by the Water Management Amendments.

3. OTHER CONTRACT PROVISIONS

Except as amended by this Amendment, all provisions of the contract shall be and remain the same and in full force and effect, provided, however, that any reference to the definition of a term in Article 1, shall be deemed to be a reference to the definition of that term, notwithstanding that the definition has been re-lettered within Article 1. In preparing a consolidated contract, the parties agree to update all such references to reflect the definitions' lettering within Article 1.

4. DocuSign

The Parties agree to accept electronic signatures generated using DocuSign as original signatures.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the date first above written.

Approved as to Legal Form
and Sufficiency:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Chief Counsel
Department of Water Resources

Director

Date

Approved as to Form:

THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA

General Counsel
The Metropolitan Water District of
Southern California

General Manager

Date

Exhibit "B"

State of California
The Resources Agency
DEPARTMENT OF WATER RESOURCES

AGREEMENT AMONG
THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA,
ANTELOPE VALLEY-EAST KERN WATER AGENCY,
KERN COUNTY WATER AGENCY,
AND
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA
FOR A SHORT-TERM TRANSFER AND STORAGE OF A PORTION OF
ANTELOPE VALLEY-EAST KERN WATER AGENCY'S
STATE WATER PROJECT TABLE A WATER
IN
IRVINE RANCH WATER DISTRICT'S
GROUNDWATER BANKING PROGRAM

SWP #23024

THIS AGREEMENT is made under the provisions of the California Water Resources Development Bond Act, and other applicable laws of the State of California among the Department of Water Resources of the State of California, herein referred to as "DWR," the Antelope Valley-East Kern Water Agency, herein referred to as "AVEK", the Metropolitan Water District of Southern California, herein referred to as "Metropolitan," and Kern County Water Agency, herein referred to as "KCWA." DWR, AVEK, Metropolitan, and KCWA may be referred to individually as "Party", or collectively as "Parties."

RECITALS

- A. DWR and Metropolitan have entered into a water supply contract, dated November 4, 1960, and subsequently amended, providing that DWR shall supply certain quantities of water to Metropolitan, providing that Metropolitan shall make certain payments to DWR, and setting forth the terms and conditions of such supply and payment (hereinafter "Metropolitan Water Supply Contract").
- B. DWR and AVEK have entered into a water supply contract, dated September 20, 1962, and subsequently amended, providing that DWR shall supply certain quantities of water to AVEK, providing that AVEK shall make certain payments to DWR, and setting forth the terms and conditions of such supply and payment (hereinafter "AVEK's Water Supply Contract").
- C. DWR and KCWA have entered into a water supply contract, dated November 15, 1963, and subsequently amended, providing that DWR shall supply certain quantities of water to KCWA, providing that KCWA shall make certain payments to DWR, and setting forth the terms and conditions of such supply and payment (hereinafter "KCWA's Water Supply Contract").
- D. Irvine Ranch Water District (IRWD) is a California water district that is a landowner and owner of groundwater storage/banking facilities within Kern County, and a sub-unit of Metropolitan's member agency, Municipal Water District of Orange County (MWDOC), from which IRWD receives State Water Project (SWP) supplies.
- E. On January 13, 2009, IRWD entered into an agreement with Rosedale-Rio Bravo Water Storage District (RRBWSD), a member unit of KCWA, entitled "Agreement Rosedale-Rio Bravo Water Storage District and Irvine Ranch Water District for a Water Banking and Exchange Program." This agreement provides, among other things, the terms and conditions for the development and operations of a water banking project consisting of recharge, storage, and recovery facilities that are located on IRWD property in Kern County known as "Strand Ranch" and integrated into RRBWSD's water banking program. The use of such recharge, storage, and recovery facilities, together with available RRBWSD facilities, provides IRWD with a means for acquiring (including through exchange) and regulating (through basin storage) water supplies to help meet its dry year and other water requirements. This water banking project shall hereafter be referred to as the "Strand Ranch Water Bank."
- F. On February 4, 2016, IRWD entered into an agreement with RRBWSD entitled "Agreement 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." This agreement provides, among other things, the terms and conditions for the development and operations of a joint water banking project consisting of recharge, storage, and recovery facilities using two properties in Kern County known as "Stockdale East" and "Stockdale West." These properties were acquired by RRBWSD and IRWD, respectively, and lie adjacently to the

Strand Ranch Water Bank, providing IRWD with an increased reliability and diversification of its water supplies. This water banking project shall hereafter be referred to as the "Stockdale Water Bank."

- G. For the purposes of this Agreement, the Strand Ranch Water Bank and Stockdale Water Bank will be collectively referred to as the "IRWD Water Bank."
- H. On April 21, 2011, Metropolitan, IRWD, and MWDOC entered into an agreement entitled "Coordinated Operating, Water Storage, Exchange and Delivery Agreement." This agreement provides the terms and conditions to facilitate the use of the IRWD Water Bank within Kern County for storage, recovery, exchange, and delivery of SWP and non-SWP water in a manner that satisfies the objectives of and provides joint benefits of increased water supply reliability and diversification for IRWD and Metropolitan.
- I. In December 1998, DWR and KCWA entered into an agreement entitled, "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" (hereinafter the "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.
- J. On March 5, 2019, IRWD and AVEK entered into an agreement entitled, "Long-Term Exchange Program Agreement Between Irvine Ranch Water District and Antelope Valley-East Kern Water Agency" (hereinafter IRWD/AVEK Exchange Agreement). The IRWD/AVEK Exchange Agreement provides for the delivery of up to 20,000 acre-feet of AVEK's SWP water to IRWD for storage in the IRWD Water Bank. In exchange for using the IRWD Water Bank, for every two acre-feet of AVEK's SWP water delivered for storage, one acre-foot of that water will be retained by IRWD for its own use. AVEK will recover the remaining one-half of its stored water, minus losses, for use in its service area. The IRWD/AVEK Exchange Agreement is valid through December 31, 2035, unless extended by the parties.
- K. On [insert date of execution], DWR, Metropolitan, and KCWA entered into the "Agreement among the Department of Water Resources of the State of California, The Metropolitan Water District of Southern California, and Kern County Water Agency for Storage of a Portion of The Metropolitan Water District of Southern California's State Water Project Supplies in Irvine Ranch Water District's Groundwater Banking Program," (SWP #23012). This agreement provides for the delivery of a portion of Metropolitan's approved SWP water supplies for temporary storage in the IRWD Water Bank and later recovery for use in Metropolitan's service area.
- L. AVEK has requested DWR's approval for a temporary storage of a portion of AVEK's Table A water in the IRWD Water Bank within Kern County and for a transfer of one-half (50 percent) of that water to Metropolitan, as provided in the IRWD/AVEK Exchange Agreement. Of the 20,000 acre-feet of AVEK's Table A Water delivered to the IRWD Water Bank, one-half (up to 10,000 acre-feet) will be

stored in the IRWD pursuant to Article 56(b) of AVEK's Water Supply Contract for later recovery and use within AVEK's service area, and the other one-half (up to 10,000 acre-feet) will be transferred to Metropolitan, on behalf of IRWD, pursuant to Article 56(d) of AVEK's Water Supply Contract. AVEK's Table A Water transferred to Metropolitan will be stored under Article 56(b) of Metropolitan's Water Supply Contract and the terms and conditions in SWP #23012 for later recovery and use within Metropolitan's service area.

- M. AVEK and Metropolitan confirm that the transfer of a portion of AVEK's Table A Water to Metropolitan under this Agreement satisfies the criteria in Article 57(d) and Article 57(g) of AVEK's and Metropolitan's respective Water Supply Contracts. AVEK and Metropolitan have provided supporting documentation to DWR demonstrating compliance with Article 57(g), which DWR has considered in approving the transfer request.
- N. In compliance with the California Environmental Quality Act (CEQA), RRBWSD, as the lead agency, in consultation with IRWD, as a responsible agency, prepared and approved final Environmental Impact Reports (EIRs), including addenda, to address the environmental consequences associated with the development and operation of the Strand Ranch Water Bank and Stockdale Water Bank, concluding that, with mitigation measures, both projects would not have a significant impact on the environment. RRBWSD filed a Notice of Determination (NOD) with the State Clearinghouse (SCH) for the Strand Ranch Water Bank on May 29, 2008 (SCH #2007041080) and for the Stockdale Water Bank on December 9, 2015 (SCH #2013091076).
- O. The water delivery, storage, and recovery mechanisms under this Agreement are within the scope of the CEQA documents described above and constitute a continued water management operation using existing facilities with no expansion of use. In compliance with CEQA, AVEK, as the lead agency, will file a Notice of Exemption (NOE) with the SCH upon execution of this Agreement. DWR, as a responsible agency under CEQA, will file an NOE upon execution of this Agreement, under CEQA Guidelines Section 15301 (Existing Facilities).

AGREEMENT

DWR approves 1) the delivery of up to 20,000 acre-feet of AVEK's Table A Water to KCWA for temporary storage in the IRWD Water Bank and later recovery of 50 percent of such delivered water for use within AVEK's service area, and 2) the transfer of 50 percent of AVEK's Table A Water, up to 10,000 acre-feet, to Metropolitan upon delivery into storage in the IRWD Water Bank, subject to the following terms and conditions:

TERM

1. This Agreement shall be effective upon execution by all Parties and shall terminate on December 31, 2026 or upon final payment to DWR by AVEK, Metropolitan, and KCWA of all costs attributable to this Agreement, whichever occurs later. However, the liability, hold harmless and indemnification obligations in this Agreement shall remain in effect until the expiration of the applicable statute of limitations, or until any claim or litigation concerning this Agreement asserted to DWR, Metropolitan, or KCWA within the applicable statute of limitations is finally resolved, whichever occurs later.

UNIQUENESS OF AGREEMENT

2. DWR's approval under this Agreement is unique and shall not be considered a precedent for future agreements or DWR activities.

DELIVERY OF SWP WATER OUTSIDE OF SERVICE AREA

3. Under Articles 15(a) and 56(b)&(d) of AVEK's Water Supply Contract, DWR hereby consents to the delivery of a portion of AVEK's SWP Water outside AVEK's service area to the IRWD Water Bank groundwater storage program, under the terms and conditions of this Agreement and finds that such delivery will not materially impair AVEK's capacity to make payments to DWR.
4. In any given year, the amount of AVEK's Table A Water delivered under this Agreement and any other transfer or exchange agreement, plus the amount of AVEK's Table A Water delivered to AVEK or stored outside of AVEK's service area under Article 56 of AVEK's Water Supply Contract, shall not exceed the Table A amount allocated to AVEK for that year.

USE OF CALIFORNIA AQUEDUCT CAPACITY

5. The delivery of water under this Agreement shall be in accordance with a schedule that has been reviewed and approved by DWR under applicable provisions of AVEK's, Metropolitan's, and KCWA's respective Water Supply Contracts. Article 12(f) of AVEK's, Metropolitan's and KCWA's respective Water Supply Contracts shall govern the priority for delivery of such water.

APPROVALS

6. The delivery of water under this Agreement shall be contingent upon, and subject to, any necessary approvals and shall be governed by the terms and conditions of such approvals and any other applicable legal requirements. AVEK, Metropolitan, and KCWA shall be responsible for complying with all applicable laws and legal requirements and for securing any required consent, approvals, permits, or orders. Metropolitan and KCWA shall furnish to DWR copies of all approvals and agreements required for the delivery of water under this Agreement.

WATER DELIVERY FROM AVEK TO THE IRWD WATER BANK

7. For a period of up to 12 months from the effective date of this agreement, DWR will deliver up to 20,000 acre-feet of AVEK's Table A Water to KCWA's turnout(s) in Reach 12E of the California Aqueduct for subsequent storage in the IRWD Water Bank.
 - a. Upon delivery to KCWA, half of AVEK's Table A Water, up to 10,000 acre-feet, will be stored by IRWD in the IRWD Water Bank on behalf of AVEK pursuant to Article 56(b) of AVEK's Water Supply Contract for later recovery and use within AVEK's service area, which is within the SWP place of use (AVEK's Stored Water).
 - b. Upon delivery to KCWA, half of AVEK's Table A Water, up to 10,000 acre-feet, will be transferred to Metropolitan, on behalf of IRWD, pursuant to Article 56(d) of AVEK's Water Supply Contract and stored by IRWD in the IRWD Water Bank pursuant to Article 56(b) of Metropolitan's Water Supply Contract. AVEK's Table A Water transferred to Metropolitan under this Agreement shall be accounted for as "Metropolitan's Stored Water" under SWP #23012. The storage and subsequent recovery of Metropolitan's Stored Water shall be subject to the terms and conditions of SWP #23012, as may be amended or replaced.
8. The delivery of a portion of AVEK's Table A Water to KCWA for storage in the IRWD Water Bank under this Agreement shall be in accordance with a schedule approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations or facilities, or other SWP contractors.
9. In any given year, the sum of deliveries scheduled under this Agreement, plus scheduled AVEK SWP water deliveries, plus deliveries to AVEK under any other agreements, shall not exceed the quantities on which the Proportionate Use-of-Facilities factors are based under AVEK's Water Supply Contract with DWR unless DWR determines that deliveries will not adversely impact SWP operations, facilities, or other SWP contractors.

RECOVERY OF AVEK'S STORED WATER FROM IRWD'S WATER BANK FOR DELIVERY TO AVEK

10. AVEK shall recover all of AVEK's Stored Water, up to 10,000 acre-feet, minus applicable losses as specified in the IRWD/AVEK Exchange Agreement, by December 31, 2026, using any of the following mechanisms:

By Exchange of KCWA's Table A Water and/or Article 56 Carryover Water

- a. KCWA may retain a portion of AVEK's Stored Water in exchange for a like amount of KCWA's approved Table A Water and/or Article 56 Carryover Water delivered by DWR to AVEK's turnout(s) located at Reaches 18A through 22B of the California Aqueduct.

By Exchange of Metropolitan's Table A Water and/or Article 56 Carryover Water

- b. Metropolitan may retain a portion of AVEK's Stored Water in exchange for a like amount of Metropolitan's approved Table A water and/or Article 56 Carryover Water delivered by DWR to AVEK's turnout(s) located at Reaches 18A through 22B of the California Aqueduct.
- i. The portion of AVEK's Stored Water retained in the IRWD Water Bank by Metropolitan will be reclassified by DWR as Metropolitan's approved Table A water delivered to the IRWD Water Bank for storage under SWP #23012.

By Pump-in to the California Aqueduct

- c. KCWA may pump in and introduce AVEK's Stored Water into Reach 12E of the California Aqueduct for delivery by DWR to AVEK's turnout(s) located at Reaches 18A through 22B of the California Aqueduct.
- i. Any turn-in facility used to pump in and introduce AVEK's Stored Water into the California Aqueduct must have an executed agreement with DWR for such an action to be allowed.
- ii. Pump-in water shall meet DWR's water quality standards in effect when the water is pumped in and introduced into the California Aqueduct. The quality of AVEK's Stored Water introduced into the California Aqueduct under this Agreement shall be in conformance with DWR's water quality document entitled "Department of Water Resources Water Quality Policy and Implementation Process for Acceptance of Non-Project Water into the State Water Project," dated October 31, 2012 or a later date if modified by DWR. KCWA shall submit such data to:

11. AVEK may request that AVEK's Stored Water recovered under Paragraph 10 be placed into temporary storage in San Luis Reservoir pursuant to Article 56(c)(2) of AVEK's Water Supply Contract, instead of being directly delivered to AVEK's turnout(s) on the California Aqueduct.
 - a. When AVEK requests delivery of its water temporarily stored in San Luis Reservoir, DWR will deliver such water from San Luis Reservoir to AVEK's turnout(s) located on the California Aqueduct.
 - b. AVEK recognizes that, in the event San Luis Reservoir becomes full in any given year, water temporarily stored for AVEK in San Luis Reservoir will be displaced in accordance with Article 56(c)(3) of AVEK's Water Supply Contract.
12. The delivery of AVEK's Stored Water to AVEK from the IRWD Water Bank under this Agreement shall be in accordance with a schedule approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations or facilities, or other SWP contractors.
13. The sum of deliveries for the recovery of AVEK's Stored Water scheduled to AVEK under this Agreement, plus scheduled AVEK's SWP deliveries, plus deliveries to AVEK under any other agreements, shall not exceed the quantities on which the proportionate Use-of-Facilities factors are based under AVEK's Water Supply Contract, unless DWR determines that the deliveries will not adversely impact SWP operations or facilities, or other SWP contractors.

NO SALE OF AVEK'S STORED WATER

14. AVEK's Stored Water shall be recovered and used within AVEK's service area as provided in this Agreement and shall not be sold or otherwise transferred for use outside of AVEK's service area, unless AVEK requests and obtains DWR's approval to transfer such water to or exchange it with another SWP Contractor pursuant to Articles 56 and 57 of AVEK's Water Supply Contract.

WATER DELIVERY SCHEDULES

15. All water delivery schedules and revisions under this Agreement shall be in accordance with Article 12 of AVEK's, Metropolitan's and KCWA's respective Water Supply Contracts.
16. AVEK shall submit delivery schedules to KCWA for review and approval. KCWA shall review the proposed schedules and agrees to inform AVEK of its decision to either approve, propose modifications, or withhold approval as promptly as

possible. KCWA agrees that it shall not arbitrarily withhold approval or propose modifications. KCWA may withhold approval of or propose modifications to the proposed schedule for the delivery of water into and out of the IRWD Water Bank under this Agreement if, on the basis of a with and without analysis, KCWA determines that such deliveries would adversely impact KCWA's finances, water supply or operations, and AVEK does not agree to mitigate for such impacts. The base case (without analysis) shall be those conditions estimated to occur in the absence of deliveries to KCWA. The KCWA analysis is a matter involving KCWA and AVEK, not DWR. DWR is not liable to AVEK for the determinations KCWA makes under this paragraph. DWR is not asserting the validity of KCWA's analysis, nor is it to be held liable by AVEK for any actions resulting from KCWA's analysis.

17. In coordination with KCWA and Metropolitan, AVEK shall submit monthly water delivery schedules and revised monthly schedules, if any, for approval to the Division of Operation and Maintenance, Office of the Division Manager, Water Deliveries Reporting Unit, indicating timing and point of delivery requested under this Agreement with reference to SWP #23024. Monthly and revised monthly schedules shall be sent by electronic mail to SWP-SWDS@water.ca.gov.
18. In coordination with KCWA and Metropolitan, AVEK shall submit weekly water schedules, indicating timing and point of delivery requested with reference to SWP #23024, by electronic mail by 10:00 am, Wednesday, for the following week, Monday through Sundays to the following:
 - a. Office of the Division Manager
Water Operation Scheduling Section
Water_deliv_sched@water.ca.gov
 - b. Office of the Division Manager
Day-Ahead Scheduling Unit
Presched@water.ca.gov
 - c. San Joaquin Field Division
Water Operation Section
SJFDwaterschedule@water.ca.gov
 - d. Southern Field Division
Water Operation Section
SFDWaterSchedule@water.ca.gov

WATER DELIVERY RECORDS

19. DWR will maintain monthly records accounting for the delivery and transfer of water under this Agreement.
20. DWR will use SWP #23012 to account for the storage and recovery of AVEK's Table A Water transferred to Metropolitan under this Agreement.

CHARGES

21. AVEK, Metropolitan and KCWA shall pay the following charges to DWR for the water delivered under this Agreement, including all future adjustments, which shall be calculated in the same manner as charges are calculated for SWP Table A deliveries and shall be in accordance with the provisions of AVEK's, Metropolitan's and KCWA's respective Water Supply Contracts. Charges/credits shall be determined for the year the water is delivered to AVEK, Metropolitan and/or KCWA.

Delivery of AVEK's Table A Water to KCWA

- a. When DWR delivers AVEK's Table A Water to KCWA, AVEK shall pay to DWR the charges associated with the delivery of each acre-foot of water under this Agreement from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct. AVEK shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect during the year water is delivered to KCWA.

Recovery of AVEK's Stored Water by Exchange with KCWA's Table A Water and/or Article 56 Carryover Water delivered to AVEK's Service Area

- b. When DWR delivers KCWA's approved SWP Table A water and/or Article 56 Carryover Water to AVEK's service area in exchange for KCWA retaining a like amount of AVEK's Stored Water, the following charges/credits shall apply:
- i. KCWA shall pay to DWR the charges associated with the delivery of each acre-foot of KCWA's approved SWP Table A water and/or Article 56 Carryover Water from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct. KCWA shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect during the year AVEK's Stored Water is exchanged with KCWA's SWP Table A water and/or Article 56 Carryover Water.
 - ii. AVEK shall pay to DWR the charges associated with the delivery of KCWA's approved SWP Table A water and/or Article 56 Carryover Water from the Delta to AVEK's turnout(s). AVEK shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water delivered.
 - iii. AVEK shall receive from DWR a credit for the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facilities costs

associated with the delivery of each acre-foot of AVEK's SWP Table A water from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct during the year KCWA's water is exchanged with AVEK's Stored Water.

Recovery of AVEK's Stored Water by Exchange with KCWA's Table A Water and/or Article 56 Carryover Water delivered to San Luis Reservoir

- c. When DWR delivers KCWA's approved SWP Table A water and/or Article 56 Carryover Water for temporary storage in San Luis Reservoir on AVEK's behalf in exchange for KCWA retaining a like amount of AVEK's Stored Water, the following charges/credits shall apply:
 - i. KCWA shall pay to DWR the charges associated with the delivery of each acre-foot of KCWA's approved SWP Table A water and/or Article 56 Carryover Water from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct. KCWA shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities costs that are in effect during the year AVEK's Stored Water is exchanged with KCWA's SWP Table A water and/or Article 56 Carryover Water.
 - ii. AVEK shall pay to DWR the charges associated with the delivery of KCWA's approved SWP Table A water and/or Article 56 Carryover Water from the Delta to San Luis Reservoir. AVEK shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities costs that are in effect for each acre-foot of water delivered.
 - iii. AVEK shall receive from DWR a credit for the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facilities costs associated with the delivery of each acre-foot of AVEK's SWP Table A water from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct during the year KCWA's water is exchanged with AVEK's Stored Water.

Recovery of AVEK's Stored Water by Exchange of Metropolitan's Table A Water and/or Article 56 Carryover Water delivered to AVEK's Service Area

- d. When DWR delivers Metropolitan's approved SWP Table A water and/or Article 56 Carryover Water to AVEK's service area in exchange for Metropolitan retaining a like amount of AVEK's Stored Water, the following charges/credits shall apply:
 - i. Metropolitan shall pay to DWR the charges associated with the delivery of each acre-foot of Metropolitan's approved SWP Table A

water and/or Article 56 Carryover Water from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct. Metropolitan shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect during the year AVEK's Stored Water is exchanged with Metropolitan's SWP Table A water and/or Article 56 Carryover Water.

- ii. AVEK shall pay to DWR the charges associated with the delivery of Metropolitan's approved SWP Table A water and/or Article 56 Carryover Water from the Delta to AVEK's turnout(s). AVEK shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water delivered.
- iii. AVEK shall receive from DWR a credit for the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facilities costs associated with the delivery of each acre-foot of AVEK's SWP Table A water from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct during the year Metropolitan's water is exchanged with AVEK's Stored Water.

Recovery of AVEK's Stored Water by Exchange of Metropolitan's Table A Water and/or Article 56 Carryover Water delivered to San Luis Reservoir

- e. When DWR delivers Metropolitan's approved SWP Table A water and/or Article 56 Carryover Water for temporary storage in San Luis Reservoir on AVEK's behalf in exchange for Metropolitan retaining a like amount of AVEK's Stored Water, the following charges/credits shall apply:
 - i. Metropolitan shall pay to DWR the charges associated with the delivery of each acre-foot of Metropolitan's approved SWP Table A water and/or Article 56 Carryover Water from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct. Metropolitan shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect during the year AVEK's Stored Water is exchanged with Metropolitan's SWP Table A water and/or Article 56 Carryover Water.
 - ii. AVEK shall pay to DWR the charges associated with the delivery of Metropolitan's approved SWP Table A water and/or Article 56 Carryover Water from the Delta to San Luis Reservoir. AVEK shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the

Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water delivered.

- iii. AVEK shall receive from DWR a credit for the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facilities costs associated with the delivery of each acre-foot of AVEK's SWP Table A water from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct during the year Metropolitan's water is exchanged with AVEK's Stored Water.

Recovery of AVEK's Stored Water by Pump-in and Introduction of AVEK's Stored Water into the California Aqueduct and delivery to AVEK's Service Area

- f. When KCWA pumps in and introduces AVEK's Stored Water into the California Aqueduct at Reach 12E for delivery to AVEK's service area, the following charges/credits shall apply:
 - i. AVEK shall pay to DWR the charges associated with the delivery of water from the Delta to AVEK's turnout(s). AVEK shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water delivered.
 - ii. AVEK shall receive from DWR a credit for each acre-foot of AVEK's Stored Water introduced into the California Aqueduct at Reach 12E for the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facilities cost from the Delta to Reach 12E of the California Aqueduct.

Recovery of AVEK's Stored Water by Pump-in and Introduction of AVEK's Stored Water into the California Aqueduct and delivery to San Luis Reservoir

- g. When KCWA pumps in and introduces AVEK's Stored Water into the California Aqueduct at Reach 12E and DWR delivers a like amount for temporary storage in San Luis Reservoir on AVEK's behalf, the following charges/credits shall apply:
 - i. AVEK shall pay to DWR the charges associated with the delivery of water from the Delta to San Luis Reservoir. AVEK shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water delivered.

- ii. AVEK shall receive from DWR a credit for each acre-foot of AVEK's Stored Water introduced into the California Aqueduct at Reach 12E for the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facilities cost from the Delta to Reach 12E of the California Aqueduct.

Delivery of AVEK's Stored Water from Temporary Storage in San Luis Reservoir to AVEK's Service Area

- h. When DWR delivers AVEK's Stored Water from temporary storage in San Luis Reservoir to AVEK's service area, the following charges/credits shall apply:
 - i. AVEK shall pay to DWR the charges associated with the delivery of water from the Delta to AVEK's turnout(s) located on the California Aqueduct. AVEK shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water delivered.
 - ii. AVEK shall receive a credit from DWR for each acre-foot of AVEK's Stored Water delivered from temporary storage in San Luis Reservoir to AVEK's service area for the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water from the Delta to San Luis Reservoir.
- 22. In addition to the charges identified above, AVEK, Metropolitan, and KCWA agree to pay to DWR any additional identified demonstrable increase in costs that would otherwise be borne by DWR or by the SWP contractors not signatory to this Agreement as a result of DWR providing service under this Agreement.
- 23. Payment terms under this Agreement shall be in accordance with AVEK's, Metropolitan's, and KCWA's respective Water Supply Contract.

NO IMPACT

- 24. This Agreement shall not be administered or interpreted in any way that would cause adverse impacts to SWP approved Table A water or to any other SWP approved water allocations, water deliveries, or SWP operations or facilities. AVEK, Metropolitan, and KCWA shall be responsible, jointly and severally, as determined by DWR, for any adverse impacts that may result from water deliveries under this Agreement.

LIABILITY

25. DWR is not responsible for the use, effects or disposal of water under this Agreement once the water is delivered to the designated turnout(s). Responsibility shall be governed by Article 13 of AVEK's, Metropolitan's, and KCWA's respective Water Supply Contract, as applicable, with responsibilities under the terms of that article shifting from DWR to Metropolitan and/or KCWA when the water is delivered to the designated turnout(s).
26. AVEK, Metropolitan, and KCWA agree to defend and hold DWR, its officers, employees, and agents harmless from any direct or indirect loss, liability, lawsuit, cause of action, judgment or claim, and shall indemnify DWR, its officers, employees, and agents from all lawsuits, costs, damages, judgments, attorneys' fees, and liabilities that DWR, its officers, employees, and agents incur as a result of DWR approving this Agreement or providing services under this Agreement, except to the extent resulting from the sole negligence or willful misconduct of DWR, its officers, employees, and agents.
27. If uncontrollable forces preclude DWR from delivery of water under this Agreement, either partially or completely, then DWR is relieved from the obligation to deliver the water under this Agreement to the extent that DWR is reasonably unable to complete the obligation due to the uncontrollable force. Uncontrollable forces shall include, but are not limited to, earthquakes, fires, tornadoes, floods, and other natural or human caused disasters. AVEK, Metropolitan and KCWA shall not be entitled to recover any administrative costs or other costs associated with delivery of water under this Agreement if uncontrollable forces preclude DWR from delivering the water.

DISPUTE RESOLUTION

28. In the event of a dispute regarding interpretation or implementation of this Agreement, the Director of DWR and general managers of AVEK, Metropolitan, and KCWA, or their authorized representatives, shall endeavor to resolve the dispute by meeting within 30 days after the request of a Party. If the dispute remains unresolved, the Parties shall use the service of a mutually acceptable consultant in an effort to resolve the dispute. Parties involved in the dispute shall share the fees and expenses of the consultant equally. If a consultant cannot be agreed upon, or if the consultant's recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter may be resolved by litigation and any Party may, at its option, pursue any available legal remedy including, but not limited to, injunctive and other equitable relief.

ASSIGNMENT OF AGREEMENT

29. Without the prior written consent of DWR, AVEK, Metropolitan, and KCWA, this Agreement is not assignable by AVEK, Metropolitan, or KCWA in whole or in part.

PARAGRAPH HEADINGS

30. The paragraph headings of this Agreement are for the convenience of the Parties and shall not be considered to limit, expand, or define the contents of the respective paragraphs.

OPINIONS AND DETERMINATION

31. Where the terms of this Agreement provide for actions to be based upon the opinion, judgment, approval, review, or determination of any Party, such terms are to be construed as providing that such opinion, judgment, approval, review, or determination be reasonable.

MODIFICATION OF AGREEMENT

32. No modification of the terms and conditions of this Agreement shall be valid unless made in writing and signed by the Parties to this Agreement.

NO MODIFICATION OF WATER SUPPLY CONTRACT

33. This Agreement shall not be interpreted to modify the terms or conditions of AVEK's, Metropolitan's and KCWA's respective Water Supply Contract. Unless expressly provided herein, the terms and conditions of AVEK's, Metropolitan's and KCWA's respective Water Supply Contract and any future amendments apply to this Agreement.

SIGNATURE CLAUSE

34. The signatories represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign. A copy of any resolution or other documentation authorizing AVEK, Metropolitan, and KCWA to enter into this Agreement, if such resolution or authorization is required, shall be provided to DWR before the execution of this Agreement.

EXECUTION

35. The Parties agree that this Agreement will be executed using DocuSign by electronic signature, which shall be considered an original signature for all purposes and shall have the same force and effect as an original signature.
36. All Parties will receive an executed copy of this Agreement vis DocuSign after all Parties have signed.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement.

Approved as to Legal Form
and Sufficiency

STATE OF CALIFORNIA DEPARTMENT OF
WATER RESOURCES

Thomas Gibson
General Counsel
Department of Water Resources

John Leahigh
Assistant Division Manager, Water Management
Division of Operations and Maintenance
State Water Project

Date

Date

ANTELOPE VALLEY-EAST KERN
WATER AGENCY

KERN COUNTY WATER AGENCY

Name

Name

Title

Title

Date

Date

Approved as to Legal Form
and Sufficiency

THE METROPOLITAN WATER
DISTRICT OF SOUTHERN CALIFORNIA

Name

Name

Title

Title

Date

Date

TEMPPLATE

Exhibit "C"

State of California
The Resources Agency
DEPARTMENT OF WATER RESOURCES

AGREEMENT AMONG
THE DEPARTMENT OF WATER RESOURCES OF THE STATE OF CALIFORNIA,
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,
AND
KERN COUNTY WATER AGENCY
FOR
STORAGE OF A PORTION OF
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA'S
STATE WATER PROJECT WATER SUPPLIES
IN
IRVINE RANCH WATER DISTRICT'S
GROUNDWATER BANKING PROGRAM

SWP #23012

THIS AGREEMENT is made under the provisions of the California Water Resources Development Bond Act, and other applicable laws of the State of California among the Department of Water Resources of the State of California, herein referred to as "DWR," the Metropolitan Water District of Southern California, herein referred to as "MWDSC," and Kern County Water Agency, herein referred to as "KCWA." DWR, MWDSC, and KCWA may be referred to individually as "Party", or collectively as "Parties."

RECITALS

- A. DWR and MWDSC have entered into a water supply contract, dated November 4, 1960, and subsequently amended, providing that DWR shall supply certain quantities of water to MWDSC, providing that MWDSC shall make certain payments to DWR, and setting forth the terms and conditions of such supply and payment, hereinafter the "MWDSC Water Supply Contract."
- B. DWR and KCWA have entered into a water supply contract, dated November 15, 1963, and subsequently amended, providing that DWR shall supply certain quantities of water to KCWA, providing that KCWA shall make certain payments to DWR, and setting forth the terms and conditions of such supply and payment, hereinafter "KCWA's Water Supply Contract."
- C. Irvine Ranch Water District (IRWD) is a California water district that is a landowner and owner of groundwater banking facilities within Kern County, and a member agency of Municipal Water District of Orange County (MWDOC), which is a member agency of MWDSC, from which IRWD receives State Water Project (SWP) supplies.
- D. On January 13, 2009, IRWD entered into an agreement with Rosedale-Rio Bravo Water Storage District (RRBWSD), a member unit of KCWA, entitled "Agreement Rosedale-Rio Bravo Water Storage District and Irvine Ranch Water District for a Water Banking and Exchange Program." This agreement provides, among other things, the terms and conditions for the development and operations of a water banking project consisting of recharge, storage, and recovery facilities that are located on IRWD property in Kern County known as "Strand Ranch" and integrated into RRBWSD's water banking program. The use of such recharge, storage, and recovery facilities, together with available RRBWSD facilities, provides IRWD with a means for acquiring (including through exchange) and regulating (through basin storage) water supplies to help meet its dry year and other water requirements. This water banking project shall hereafter be referred to as the "Strand Ranch Water Bank."
- E. On April 21, 2011, MWDSC, IRWD, and MWDOC entered into an agreement entitled "Coordinated Operating, Water Storage, Exchange and Delivery Agreement." This agreement provides the terms and conditions to facilitate the use of IRWD's water banking facilities within Kern County for storage, recovery, exchange, and delivery of SWP and Non-SWP water in a manner that satisfies the objectives of and provides joint benefits of increased water supply reliability and diversification for IRWD and MWDSC.
- F. On February 4, 2016, IRWD entered into an agreement with RRBWSD entitled "Agreement 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]." This agreement provides, among other things, the terms and conditions for the development and operations of a joint water banking project consisting of recharge, storage, and recovery facilities using two

properties in Kern County known as “Stockdale East” and “Stockdale West.” These properties were acquired by RRBWSD and IRWD, respectively, and lie adjacently to the Strand Ranch Water Bank, providing IRWD with an increased reliability and diversification of its water supplies. This water banking project shall hereafter be referred to as the “Stockdale Water Bank.”

- G. For the purposes of this Agreement, the Strand Ranch Water Bank and Stockdale Water Bank will be collectively referred to as the “IRWD Water Bank.”
- H. In order for MWDSC to better manage its SWP water supplies and increase water reliability to help meet water demands within its service area during periods of drought, MWDSC has requested DWR’s approval for the delivery of a portion of its approved SWP water supplies (MWDSC’s SWP Water) to KCWA for temporary storage in the IRWD Water Bank and later recovery for use in MWDSC’s service area.
- I. In compliance with the California Environmental Quality Act (CEQA), RRBWSD, as the lead agency, in consultation with IRWD, as a responsible agency, prepared and approved final Environmental Impact Reports (EIRs), including addenda, to address the environmental consequences associated with the development and operation of the Strand Ranch Water Bank and Stockdale Water Bank, concluding that, with mitigation measures, both projects would not have a significant impact on the environment. RRBWSD filed a Notice of Determination (NOD) with the State Clearinghouse (SCH) for the Strand Ranch Water Bank on May 29, 2008 (SCH #2007041080) and for the Stockdale Water Bank on December 9, 2015 (SCH #2013091076).
- J. The water delivery, storage and recovery mechanisms under this Agreement are within the scope of the CEQA documents described above and constitute a continued water management operation using existing facilities with no expansion of use. In compliance with CEQA, MWDSC, as the lead agency, will file a Notice of Exemption (NOE) with the SCH upon execution of this Agreement. DWR, as a responsible agency under CEQA, will file an NOE upon execution of this Agreement, under CEQA Guidelines Section 15301 (Existing Facilities).

AGREEMENT

DWR approves the delivery of a portion of MWDSC's SWP Water to KCWA's service area for temporary storage in the IRWD Water Bank and later recovery for use by MWDSC, subject to the following terms and conditions:

TERM

1. This Agreement shall be effective upon execution by all Parties and shall terminate on December 31, 2026, or upon final payment to DWR by MWDSC and KCWA of all costs attributable to this Agreement, whichever occurs later. However, the liability, hold harmless and indemnification obligations in this Agreement shall remain in effect until the expiration of the applicable statute of limitations, or until any claim or litigation concerning this Agreement asserted to DWR, MWDSC, or KCWA within the applicable statute of limitations is finally resolved, whichever occurs later.

UNIQUENESS OF AGREEMENT

2. DWR's approval for the delivery of MWDSC's SWP Water to the IRWD Water Bank and for later recovery by MWDSC under this Agreement is unique and shall not be considered a precedent for future agreements or DWR activities.

DELIVERY OF SWP WATER OUTSIDE OF SERVICE AREA

3. Under Articles 15(a) and 56(b) of MWDSC's Water Supply Contract, DWR hereby consents to the delivery of a portion of MWDSC's SWP Water outside MWDSC's service area to the IRWD Water Bank under the terms and conditions of this Agreement and finds that such delivery will not materially impair MWDSC's capacity to make payments to DWR.
4. In any given year, the amount of MWDSC's Table A water delivered to KCWA's service area under this Agreement and MWDSC's Table A water delivered under any transfer or exchange agreement, plus the amount of MWDSC's Table A water delivered to MWDSC or stored outside of MWDSC's service area under Article 56 of MWDSC's Water Supply Contract, shall not exceed MWDSC's approved Table A amount for that year.

USE OF CALIFORNIA AQUEDUCT CAPACITY

5. The delivery of water under this Agreement shall be in accordance with a schedule that has been reviewed and approved by DWR under applicable provisions of MWDSC's and KCWA's respective Water Supply Contract. Article 12(f) of MWDSC's and KCWA's respective Water Supply Contract shall govern the priority for delivery of such water.

APPROVALS

6. The delivery of water under this Agreement shall be contingent upon, and subject to, any necessary approvals and shall be governed by the terms and conditions of such approvals and any other applicable legal requirements. MWDSC and KCWA shall be responsible for complying with all applicable laws and legal requirements and for securing any required consent, approvals, permits, or orders. MWDSC and KCWA shall furnish to DWR copies of all approvals and agreements required for the delivery of water under this Agreement.

DELIVERY OF MWDSC's SWP WATER TO KCWA FOR STORAGE IN THE IRWD WATER BANK

7. For a period of up to 12 months from the date of execution of this agreement, DWR will deliver a portion of MWDSC's SWP Water to KCWA's turnout(s) in Reach 12E of the California Aqueduct for temporary storage in the IRWD Water Bank (MWDSC's Stored Water).
8. The delivery of MWDSC's SWP Water to KCWA for temporary storage in the IRWD Water Bank under this Agreement shall be in accordance with a schedule approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations or facilities, or other SWP contractors.

RECOVERY OF MWDSC's STORED WATER FROM THE IRWD WATER BANK

9. MWDSC shall recover all of MWDSC's Stored Water, minus applicable losses as specified in the Coordinated Operating, Water Storage, Exchange and Delivery Agreement between MWDSC and IRWD by December 31, 2026, using any of the following mechanisms:

Recovery of MWDSC's Stored Water by Exchange with KCWA's Table A and/or Article 56 Carryover Water

- a. KCWA may retain a portion of MWDSC's Stored Water in exchange for a like amount of KCWA's approved Table A water and/or Article 56 Carryover Water delivered by DWR to MWDSC's turnout(s) located on the California Aqueduct.

Recovery of MWDSC's Stored Water by Pump-in to the California Aqueduct

- b. KCWA may pump in and introduce MWDSC's Stored Water into Reach 12E of the California Aqueduct for delivery by DWR to MWDSC's turnout(s) located on the California Aqueduct.

- i. Any turn-in facility used to pump in and introduce MWDSC's Stored Water into the California Aqueduct must have an executed agreement with DWR for such an action to be allowed.
- ii. Pump-in water shall meet DWR's water quality standards in effect when the water is pumped in and introduced into the California Aqueduct. The quality of pump-in water introduced into the California Aqueduct under this Agreement shall be in conformance with DWR's water quality document entitled "Department of Water Resources Water Quality Policy and Implementation Process for Acceptance of Non-Project Water into the State Water Project," dated October 31, 2012 or a later date if modified by DWR. KCWA shall submit such data to:

Water Quality and Special Project Section Staff
E-mail: OMHQ_WaterQuality@water.ca.gov

10. MWDSC may request that MWDSC's Stored Water recovered under Paragraph 9 be placed into temporary storage at San Luis Reservoir pursuant to Article 56(c)(2) of MWDSC's Water Supply Contract, instead of being directly delivered to MWDSC's turnout(s) on the California Aqueduct.
 - a. When MWDSC requests delivery of its water temporarily stored in San Luis Reservoir, DWR will deliver such water from San Luis Reservoir to MWDSC's turnout(s) located on the California Aqueduct.
 - b. MWDSC recognizes that, in the event San Luis Reservoir becomes full in any given year, water temporarily stored for MWDSC in San Luis Reservoir will be displaced in accordance with Article 56(c)(3) of MWDSC's Water Supply Contract.
11. The delivery of MWDSC's Stored Water to MWDSC under this Agreement shall be in accordance with a schedule approved by DWR. DWR's approval is dependent upon the times and amounts of the delivery and the overall delivery capability of the SWP. DWR shall not be obligated to deliver the water at times when such delivery would adversely impact SWP operations or facilities, or other SWP contractors.
12. Any deliveries of water to MWDSC through SWP facilities, including deliveries under this Agreement, shall not exceed the quantities on which the proportionate Use-of-Facilities factors are based under MWDSC's Water Supply Contract, unless DWR determines that the deliveries will not adversely impact SWP operations or facilities, or other SWP contractors.

NO SALE OF MWDSC'S STORED WATER

13. MWDSC's Stored Water shall be recovered and used within MWDSC's service area as provided in this Agreement and shall not be sold or otherwise transferred

for use outside of MWDSC's service area, unless MWDSC requests and obtains DWR's approval to transfer such water to or exchange it with another SWP Contractor pursuant to Articles 56 and 57 of MWDSC's Water Supply Contract.

WATER DELIVERY SCHEDULES

14. All water delivery schedules and revisions under this Agreement shall be in accordance with Article 12 of MWDSC's and KCWA's respective Water Supply Contract.
15. MWDSC shall submit delivery schedules to KCWA for review and approval. KCWA shall review the proposed schedules and agrees to inform MWDSC of its decision to either approve, propose modifications, or withhold approval as promptly as possible. KCWA agrees that it shall not arbitrarily withhold approval or propose modifications. KCWA may withhold approval of or propose modifications to the proposed schedule for the delivery of water into and out of the IRWD Water Bank under this Agreement if, on the basis of a with and without analysis, KCWA determines that such deliveries would adversely impact KCWA's finances, water supply or operations, and MWDSC does not agree to mitigate for such impacts. The base case (without analysis) shall be those conditions estimated to occur in the absence of deliveries to KCWA. The KCWA analysis is a matter involving KCWA and MWDSC, not DWR. DWR is not liable to MWDSC for the determinations KCWA makes under this paragraph. DWR is not asserting the validity of KCWA's analysis, nor is it to be held liable by MWDSC for any actions resulting from KCWA's analysis.
16. In coordination with KCWA, MWDSC shall submit monthly water delivery schedules and revised monthly schedules, if any, for approval to the Division of Operation and Maintenance, Office of the Division Manager, Water Deliveries Reporting Unit, indicating timing and point of delivery requested under this Agreement with reference to SWP #23012. Monthly and revised monthly schedules shall be sent by electronic mail to SWP-SWDS@water.ca.gov.
17. In coordination with KCWA, MWDSC shall submit weekly water schedules, indicating timing and point of delivery requested with reference to SWP #23012, by electronic mail by 10:00 am, Wednesday, for the following week, Monday through Sundays to the following:
 - a. Office of the Division Manager
Water Operation Scheduling Section
Water_deliv_sched@water.ca.gov
 - b. Office of the Division Manager
Power Management and Optimization Section
POCOptimization@water.ca.gov

- c. Office of the Division Manager
Day-Ahead Scheduling Unit
Presched@water.ca.gov
- d. San Joaquin Field Division
Water Operation Section
SJFDwaterschedule@water.ca.gov
- e. Southern Field Division
Water Operation Section
SFDWaterSchedule@water.ca.gov

WATER DELIVERY RECORDS

- 18. DWR will maintain monthly records accounting for the delivery of water under this Agreement.

CHARGES

- 19. MWDSC and KCWA shall pay the following charges to DWR for the water delivered under this Agreement, including all future adjustments, which shall be calculated in the same manner as charges are calculated for SWP Table A deliveries and shall be in accordance with the provisions of MWDSC's and KCWA's respective Water Supply Contracts. Charges/credits shall be determined for the year the water is delivered to MWDSC and KCWA.

Delivery of MWDSC's SWP Water to KCWA for Storage in the IRWD Water Bank

- a. When DWR delivers MWDSC's SWP Water to KCWA for storage in the IRWD Water Bank, MWDSC shall pay to DWR the charges associated with the delivery of each acre-foot of water under this Agreement from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct. MWDSC shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect during the year water is delivered to KCWA.

Recovery of MWDSC's Stored Water by Exchange with KCWA's Table A and/or Article 56 Carryover Water

- b. When DWR delivers KCWA's approved SWP Table A water and/or Article 56 Carryover Water to MWDSC in exchange for KCWA retaining a like amount of MWDSC's Stored Water, the following charges/credits shall apply:
 - i. KCWA shall pay to DWR the charges associated with the delivery of each acre-foot of KCWA's approved SWP Table A water and/or

Article 56 Carryover Water from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct. KCWA shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect during the year MWDSC's Stored Water is exchanged with KCWA's SWP Table A water and/or Article 56 Carryover Water that is delivered to MWDSC's turnout(s).

- ii. MWDSC shall pay to DWR the charges associated with the delivery of KCWA's approved SWP Table A water and/or Article 56 Carryover Water under this Agreement from the Delta to MWDSC's turnout(s) located on the California Aqueduct. MWDSC shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water delivered from the Delta to MWDSC's turnout(s).
- iii. MWDSC shall receive from DWR a credit for the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facilities costs associated for the delivery of each acre-foot of KCWA's SWP Table A water and/or Article 56 Carryover Water from the Delta to KCWA's turnout(s) at Reach 12E of the California Aqueduct during the year KCWA's water is exchanged with MWDSC's Stored Water.

Recovery of MWDSC's Stored Water by Pump-in and Introduction of MWDSC's Stored Water into the California Aqueduct

- c. When KCWA pumps in and introduces MWDSC's Stored Water into the California Aqueduct at Reach 12E, the following charges/credits shall apply:
 - i. MWDSC shall pay to DWR the charges associated with the delivery of water from the Delta to MWDSC's turnout(s). MWDSC shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water delivered to MWDSC's turnout(s).
 - ii. MWDSC shall receive from DWR a credit for each acre-foot of MWDSC's Stored Water introduced into the California Aqueduct at Reach 12E for the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facilities cost from the Delta to Reach 12E of the California Aqueduct.

Delivery of MWDSC's Stored Water into San Luis Reservoir for Temporary Storage

- d. When MWDSC's Stored Water is delivered into San Luis Reservoir for temporary storage, the following charges/credits shall apply:
 - i. MWDSC shall pay to DWR the charges associated with the delivery of water from the Delta to San Luis Reservoir. MWDSC shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water delivered from the Delta to San Luis Reservoir.
 - ii. MWDSC shall receive from DWR a credit for the delivery of each acre-foot of MWDSC's Stored Water for the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge and Off-Aqueduct Power Facilities cost from the Delta to Reach 12E of the California Aqueduct.

Delivery of MWDSC's water from Temporary Storage in San Luis Reservoir to MWDSC's Service Area

- e. When DWR delivers MWDSC's Stored Water from temporary storage in San Luis Reservoir to MWDSC's service area, the following charges/credits shall apply:
 - i. MWDSC shall pay to DWR the charges associated with the delivery of water from the Delta to MWDSC's turnout(s) located on the California Aqueduct. MWDSC shall pay to DWR the Variable Operation, Maintenance, Power, and Replacement Component of the Transportation Charge and the Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water delivered from the Delta to MWDSC's turnout(s).
 - ii. MWDSC shall receive a credit for each acre-foot of MWDSC's water that incurred the Variable Operation, Maintenance, Power and Replacement Component of the Transportation Charge, the Off-Aqueduct Power Facilities cost that are in effect for each acre-foot of water delivered from the Delta to San Luis Reservoir.
20. In addition to the charges identified above, MWDSC and KCWA agree to pay to DWR any additional identified demonstrable increase in costs that would otherwise be borne by DWR or by the SWP contractors not signatory to this Agreement as a result of DWR providing service under this Agreement.
21. Payment terms under this Agreement shall be in accordance with MWDSC's and KCWA's respective Water Supply Contracts.

NO IMPACT

22. This Agreement shall not be administered or interpreted in any way that would cause adverse impacts to SWP approved Table A water or to any other SWP approved water allocations, water deliveries, or SWP operations or facilities. This Agreement shall not impact the financial integrity of the SWP and shall not harm other SWP contractors not participating in this Agreement. MWDSC and KCWA shall be responsible, jointly and severally, as determined by DWR, for any adverse impacts that may result from water deliveries under this Agreement. If DWR determines that delivery under this Agreement results in unavoidable adverse impacts to the SWP or other SWP contractors not participating in this Agreement, DWR retains the right to review and reconsider its approval under this Agreement.

LIABILITY

23. DWR is not responsible for the use, effects or disposal of water under this Agreement once the water is delivered to the designated turnout(s). Responsibility shall be governed by Article 13 of MWDSC's and KCWA's respective Water Supply Contracts, as applicable, with responsibilities under the terms of that article shifting from DWR to MWDSC and/or KCWA when the water is delivered to the designated turnout(s).
24. MWDSC and KCWA agree to defend and hold DWR, its officers, employees, and agents harmless from any direct or indirect loss, liability, lawsuit, cause of action, judgment or claim, and shall indemnify DWR, its officers, employees, and agents from all lawsuits, costs, damages, judgments, attorneys' fees, and liabilities that DWR, its officers, employees, and agents incur as a result of DWR approving this Agreement or providing services under this Agreement, except to the extent resulting from the sole negligence or willful misconduct of DWR, its officers, employees, and agents.
25. If uncontrollable forces preclude DWR from delivery of water under this Agreement, either partially or completely, then DWR is relieved from the obligation to deliver the water under this Agreement to the extent that DWR is reasonably unable to complete the obligation due to the uncontrollable force. Uncontrollable forces shall include, but are not limited to, earthquakes, fires, tornadoes, floods, and other natural or human caused disasters. MWDSC and KCWA shall not be entitled to recover any administrative costs or other costs associated with delivery of water under this Agreement if uncontrollable forces preclude DWR from delivering the water.

DISPUTE RESOLUTION

26. In the event of a dispute regarding interpretation or implementation of this Agreement, the Director of DWR and general managers of MWDSC and KCWA, or their authorized representatives, shall endeavor to resolve the dispute by meeting within 30 days after the request of a Party. If the dispute remains

unresolved, the Parties shall use the service of a mutually acceptable consultant in an effort to resolve the dispute. Parties involved in the dispute shall share the fees and expenses of the consultant equally. If a consultant cannot be agreed upon, or if the consultant's recommendations are not acceptable to the Parties, and unless the Parties otherwise agree, the matter may be resolved by litigation and any Party may, at its option, pursue any available legal remedy including, but not limited to, injunctive and other equitable relief.

ASSIGNMENT OF AGREEMENT

27. Without the prior written consent of DWR, MWDSC, and KCWA, this Agreement is not assignable by MWDSC or KCWA in whole or in part.

PARAGRAPH HEADINGS

28. The paragraph headings of this Agreement are for the convenience of the Parties and shall not be considered to limit, expand, or define the contents of the respective paragraphs.

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29. Where the terms of this Agreement provide for actions to be based upon the opinion, judgment, approval, review, or determination of any Party, such terms are to be construed as providing that such opinion, judgment, approval, review, or determination be reasonable.

MODIFICATION OF AGREEMENT

30. No modification of the terms and conditions of this Agreement shall be valid unless made in writing and signed by the Parties to this Agreement.

NO MODIFICATION OF WATER SUPPLY CONTRACT

31. This Agreement shall not be interpreted to modify the terms or conditions of MWDSC's and KCWA's respective Water Supply Contracts. Unless expressly provided herein, the terms and conditions of MWDSC's and KCWA's respective Water Supply Contracts and any future amendments apply to this Agreement.

SIGNATURE CLAUSE

32. The signatories represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign. A copy of any resolution or other documentation authorizing MWDSC and KCWA to enter into this Agreement, if such resolution or authorization is required, shall be provided to DWR before the execution of this Agreement.

EXECUTION

33. The Parties agree that this Agreement will be executed using DocuSign by electronic signature, which shall be considered an original signature for all purposes and shall have the same force and effect as an original signature.
34. All Parties will receive an executed copy of this Agreement vis DocuSign after all Parties have signed.

TEMPLATE

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement.

Approved as to Legal Form
and Sufficiency

STATE OF CALIFORNIA DEPARTMENT OF
WATER RESOURCES

Thomas Gibson
General Counsel
Department of Water Resources

John Leahigh
Assistant Division Manager, Water Management
Division of Operations and Maintenance
State Water Project

Date

Date

Approved as to Legal Form
and Sufficiency

THE METROPOLITAN WATER
DISTRICT OF SOUTHERN CALIFORNIA

Name

Brad Coffey
Manager, Water Resource Management

Title

Date

Date

KERN COUNTY WATER AGENCY


Name

Title

Date

TEMPLATE

Note: This page is intentionally left blank.

September 21, 2023
Prepared by: N. Palacio / K. Welch
Submitted by: F. Sanchez / P. Weghorst
Approved by: Paul A. Cook 

SUPPLY RELIABILITY PROGRAMS COMMITTEE

TENTATIVE RECHARGE PLAN FOR 2024

SUMMARY:

With El Niño conditions forecasted to continue through early next year, staff anticipates that 2024 could be a wet year with supplies being available for recharge at the IRWD Water Bank. To prepare for a potentially wet year, staff has developed a tentative recharge plan for 2024 based on anticipated supplies from IRWD's existing exchange partners and current recharge rates observed at the IRWD Water Bank. At the Committee meeting, staff will present an overview of the tentative recharge plan.

BACKGROUND:

Ongoing deliveries to the IRWD Water Bank reflect current wet-year conditions. Through the end of September, staff estimates that 35,200 acre-feet (AF) will have been recharged by IRWD at the Water Bank and the temporary recharge basins on the West Enos property. Staff expects by the end of the year approximately 42,000 AF will have been recharged on IRWD's behalf.

El Niño conditions are expected to continue into early next year, which could result in another wet year. To prepare for fulfilling IRWD's existing recharge obligations, staff has prepared a tentative recharge schedule for 2024 that is based on the continuation of current recharge rates.

Tentative Recharge Plan for 2024:

IRWD has recharge obligations to its existing exchange partners that vary by exchange program. Staff has reviewed expected end-of-year balances for each program, program terms and annual recharge limits to determine expected deliveries for each exchange program in 2024. The resulting Tentative Recharge Plan for 2024 is provided as Exhibit "A". A description of anticipated deliveries for each program in 2024 as well as the expected recharge rates are described below. At the Committee meeting, staff will present an overview of the tentative plan.

Dudley Ridge Water District:

In 2024, staff expects that Table A water from Dudley Ridge will be available to IRWD from the Jackson Ranch. At this point in time, staff is assuming that 1,749 AF of Table A water will be available to IRWD for recharge at the IRWD Water Bank.

By the end of 2023, staff expects that Dudley Ridge Water District will deliver approximately 11,400 AF to fulfill its obligation to IRWD under the 1-for-1 exchange program. In 2024, it is assumed that Dudley Ridge will deliver up to 5,100 AF to fulfill its remaining obligation to IRWD.

Buena Vista Water Storage District:

The Buena Vista Water Storage District Long Term Exchange program has a maximum annual recharge limit of 17,500 AF. Staff expects that the Kern River will experience another wet year in 2024, and that this full amount will be available from Buena Vista for recharge at the IRWD Water Bank.

Antelope Valley-East Kern Water Agency:

The Long-Term Exchange Program with Antelope Valley-East Kern Water Agency (AVEK) has a storage limit of 20,000 AF. Assuming that AVEK is able to recharge 6,000 AF in 2023, AVEK will be able to recharge up to 14,000 AF in 2024.

Pilot Water Management Program with Homer LLC:

The Amended Pilot Water Management Program with Homer, LLC, allows IRWD to use Homer's Cross Valley Canal capacity in 2023 to recharge up to 8,000 AF of water. In exchange, Homer would be entitled to recharge an equal amount of water at the IRWD Water Bank in 2024 and 2025. If IRWD uses Homer's CVC capacity to deliver 8,000 AF of water to the IRWD Water Bank in 2023, then Homer could potentially deliver up to 8,000 AF to the IRWD Water Bank in 2024.

Recharge Rates:

In preparing the tentative recharge plan for 2024, staff has assumed that the IRWD Water Bank would maintain current recharge rates throughout the year. The current recharge rates observed are 75 cubic feet per second (cfs) on Strand Ranch, 20 cfs on Stockdale West and 30 cfs on West Enos with 15 cfs dedicated for IRWD's use. Staff assumes that the West Enos recharge basins will be operational for the first six months of 2024. Based on the described expected deliveries and recharge rates, staff estimates a total potential recharge of about 37,400 AF in 2024. Staff will update the tentative recharge plan for 2024 as more information becomes available.

Potential Exchange Program Opportunities for 2024:

Should any of IRWD's existing exchange partners decide not to deliver water or to deliver a lesser amount than the amounts described above, then recharge capacity could be available for allocation to new exchange programs. In preparation for this possibility, staff has held preliminary discussions with the following agencies that are located downstream of Kern County:

- Metropolitan Water District of Southern California;
- San Geronio Pass Water Agency;
- Mojave Water Agency; and
- Santa Clarita Valley Water Agency.

FISCAL IMPACTS:

None.

ENVIRONMENTAL COMPLIANCE:

Not applicable.

RECOMMENDATION:

Receive and file.

LIST OF EXHIBITS:

Exhibit "A" – Tentative 2024 Recharge Plan

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Exhibit "A"
Tentative 2024 Recharge Plan

Description	2024 Deliveries						Estimated Recharge Rate (cfs)
	BV (AF)	IRWD Table A (AF)	AVEK (AF)	Homer (AF)	DRWD 1:1 (AF)	Estimated Total (AF)	
<u>Maximum Obligations in 2024:</u>	17,500	1,749	14,000	8,000	5,060	46,309	
<u>Month:</u>							
January	4,612	1,749	403			6,764	110
February	4,314		2,013			6,327	110
March	4,612		2,152			6,764	110
April	3,963		2,083			6,045	110
May			2,152			2,152	35
June			2,083			2,083	35
July			1,230			1,230	20
August			1,230			1,230	20
September			655	535		1,190	20
October				1,230		1,230	20
November				1,190		1,190	20
December				1,230		1,230	20
Total:	17,500	1,749	14,000	4,185	-	37,434	
Remaining Obligations:	-	-	-	3,815	5,060	8,875	

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