

TERM SHEET FOR WATER EXCHANGE BETWEEN CCWA¹ AND THE WESTSIDE DISTRICTS²

1. **General:** A 3 for 2 water exchange of SWP water between CCWA and Westside Districts (Westside Districts return 2 acre-feet [af] to CCWA for every 3 af of CCWA water delivered to Westside Districts, less losses incurred. CCWA has up to 20,000 acre-feet that could be delivered under this exchange program. Individually, the Westside Districts participate various groundwater storage and other exchange programs (“Westside Regulating Facilities”)³ whereby Westside Districts are able to re-regulate CCWA’s water over an extended period. Water conveyed to and from the Westside Regulating Facilities will be under the existing rights for the principal participants in the Westside Regulating Facilities and CCWA has no storage rights or privileges within the Westside Regulating Facilities.

2. **Term:** A transfer of a portion of CCWA’s 2011 Table A water to Westside Districts in late 2011 - early 2012; exchange water to be returned to CCWA within 10 years (by 12/31/2021).

3. **Conveyance to Westside Districts:**
 - a. CCWA is responsible for conveyance of all DWR water charges to Reach 12E or 13B of the California Aqueduct. Westside Districts will take possession of the water in Reach 12E/13B or any other location in the California Aqueduct as determined by the Westside Districts.
 - b. Conveyance of the CCWA water is subject to any capacity limitations imposed by DWR.
 - c. Capacity for the delivery of CCWA water to the Westside Districts is on an “as available” basis, subject to higher priority deliveries of the Westside Districts and other participants in the Westside Regulating Facilities. Higher priorities include SWP water (Table A & Article 21) allocated to the

¹ Central Coast Water Authority

² Westside Districts consist of Dudley Ridge Water District and four member units of the Kern County Water Agency (Belridge Water Storage District, Berrenda Mesa Water District, Lost Hills Water District, and Wheeler Ridge – Maricopa Water Storage District)

³ Collectively, the Westside Districts have interests in the Kern Water Bank Authority and the Berrenda Mesa Banking Project.

Westside Districts and other transfers/exchanges to the Westside Districts with more favorable terms than the CCWA water.

- d. CCWA is responsible for 2/3 of the conveyance costs incurred by Westside Districts in delivering the water beyond the California Aqueduct to Westside Regulating Facilities for the water delivered to Westside Districts.
- e. Westside Districts are responsible for 1/3 of the conveyance costs in delivering the water beyond the California Aqueduct to Westside Regulating Facilities for the water delivered to Westside Districts.

4. Losses:

- a. 10% conveyance losses will be imposed on all water delivered to Westside Regulating Facilities (see also 5.d.).
- b. CCWA is responsible for 2/3 of the losses.
- c. Westside Districts are responsible for 1/3 of the losses.
If the water stored for CCWA is unable to be returned to CCWA by the end of the ten year term, thereafter Westside Districts will utilize their best efforts to return the water to CCWA as rapidly as possible whenever Westside Districts have return water capacity available

5. Return to CCWA:

- a. Upon CCWA's written request to return all or a portion of the return water, solely to the extent Westside Districts have available return capabilities and conveyance capacity to return water from Westside Regulating Facilities, Westside Districts will return water to CCWA (said otherwise, capacity for the delivery of return water to CCWA is on an "as available" basis). Return of CCWA's water would be by exchange, either through Westside Districts pre-delivery of regulated water to the SWP or by delivery of SWP water allocated to the Westside Districts.
- b. Once Westside Districts have delivered or made available water in the SWP system, CCWA would be responsible for any DWR charges for delivery of the water to CCWA.
- c. CCWA is responsible for the recovery and conveyance costs incurred by Westside Districts for the water delivered to CCWA from the Westside Regulating Facilities.
- d. It is the understanding of all parties to this agreement that an "out-of-County" contribution is imposed for certain groundwater banking programs in Kern County does not apply to this unbalanced water exchange. Should such a contribution be levied against this exchange program, both the Westside Districts and CCWA would share equally in the contribution (potentially 2.5% each on the net water recovered to CCWA) .

6. Payment:

- a. Westside Districts will invoice CCWA after any delivery events (delivery of CCWA water to Westside Districts and delivery of return water to the SWP), once quantities of deliveries are known.
- b. Payment is due from CCWA within 45 days of receiving invoices from Westside Districts.

7. Approvals:

- a. Westside Districts (primarily through Dudley Ridge WD) and CCWA will work together to obtain approval for the exchange from DWR. As CCWA's water is to be exchanged, the request to DWR would come from CCWA.
- b. It is anticipated that a Notice of Exemption would be required for compliance with CEQA. Again, the parties would work together to obtain CEQA compliance; CCWA would be the lead agency and each of the Westside Districts, KCWA, and DWR would be responsible agencies.

//////////

DRAFT