

CASITAS MUNICIPAL WATER DISTRICT
EXECUTIVE COMMITTEE

Agenda

Baggerly/Brennan
October 9, 2020 - 10:00 A.M.

The meeting will be held via teleconference.
To attend the meeting please call US Toll Free
(888) 788-0099 or (877) 853-5247
Enter Meeting ID 996 9056 2191#

1. Roll Call
2. Public Comments
3. Board Comments
4. General Manager Comments
5. Discussion regarding the Board meeting schedule for November and December.
6. Review and Discussion of a proposed parcel annexation to the Casitas Municipal Water District's Community Facilities District 2013-1 (CFD 2013-1), 1010 El Toro Rd., Assessor's Parcel No. (APN) 019-0-062-180.
7. Discussion regarding potential funding of customer plumbing improvements related to West Ojai Pipeline Replacement, Specification No. 19-408 Meter Relocations.
8. Update, Review and Discussion of the State of California State Water Project Delta Conveyance Project/Delta Conveyance Facility project Agreement in Principle and Planning Study Funding Agreement.

Right to be heard: Members of the public have a right to address the Board directly on any item of interest to the public which is within the subject matter jurisdiction of the Board. The request to be heard should be made immediately before the Board's consideration of the item. No action shall be taken on any item not appearing on the agenda unless the action is otherwise authorized by subdivision (b) of §54954.2 of the Government Code. If you require special accommodations for attendance at or participation in this meeting, please notify our office in advance (805) 649-2251 ext. 113. (Govt. Code Section 65954.1 and 54954.2(a)). Please be advised that members of the Board of Directors of Casitas who are not members of this standing committee may attend the committee meeting referred to above only in the capacity of observers, and may not otherwise take part in the meeting. (Govt. Code Sections 54952.2(c)(6))

MEMORANDUM

TO: Board of Directors
From: Michael L. Flood, General Manager
RE: Discussion regarding the Board meeting schedule for November and December
Date: October 5, 2020

RECOMMENDATION:

The Executive Committee direct that its recommendation be forwarded to the Board for consideration.

BACKGROUND:

In the past, the District has typically cancelled the second Board Meeting in December.

This year, there are Board Meetings scheduled for Wednesday, November 25th (the day prior to Thanksgiving Day) and Wednesday, December 23rd.

DISCUSSION:

The Committee should consider a recommendation to the Board on scheduling of these meetings.

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: EXECUTIVE COMMITTEE
FROM: MICHAEL FLOOD, GENERAL MANAGER
SUBJECT: PARCEL ANNEXATION TO CFD 2013-1, 1010 EL TORO RD, ASSESSOR'S
PARCEL NO. (APN) 019-0-062-180
DATE: 10/09/2020

RECOMMENDATION:

Provide direction to staff and recommendations to the Board for annexation of APN 019-0-062-180 into CFD 2013-1.

BACKGROUND AND DISCUSSION:

Casitas formed Community Facilities District (CFD) 2013-1 to purchase and make improvements to the Ojai Water System (OWS). The CFD boundary map was created to include properties served by Golden State Water Company, from whom Casitas acquired the OWS. The District's annexation consultant updates the parcel list annually to add parcels that were issued building permits within the OWS. These parcels are then added to the next year's tax roll to pay their share of property taxes to the CFD.

APN 019-0-062-180 was specifically excluded from the CFD boundary as it was, at the time, part of a larger agricultural parcel. Figure 1 shows the parcel location. The parcel had a well for agricultural and domestic purposes. The parcel was recently purchased and the new owner, Paul Friedman, discovered the well has failed and replacement is a significant cost. Mr. Friedman is interested in obtaining service from Casitas via the OWS in order to have a reliable water source for the foreseeable future, and understands annexation to the CFD is required. The CFD formation documents do not include provisions for future annexations, however.

Based on discussions with the District's annexation consultant, the annexation process includes: preparation of resolutions and a new boundary map; notice of special tax lien; two Board meetings; and a public hearing. The overall timeframe may extend for six months. Under the current conditions, Mr. Friedman would be solely responsible for the costs to the District for the annexation, including legal and consultant fees. The District's legal counsel and annexation consultant have suggested a deposit of \$10,000 be requested to fund the annexation process.

The parcel has a single-family residence and orange groves. The proposed water service would be for domestic purposes only; one-third of the parcel area was used to develop a water allocation of 0.85 acre-feet per year. Based on the current capital facilities charge, this results in a fee of \$15,847.40 for water allocation. The owner must also pay for a pre-approved contractor to install a new service line. Additional fees are charged for inspection (\$250) and for the meter itself (a one-inch meter is \$525 plus a \$60 deposit towards water use).

Mr. Friedman would like some assurance the annexation will be considered favorably by the Committee and the Board prior to submitting a deposit and starting the process.

Additionally, it is reasonable to assume other properties may want to annex to the CFD in the future and a process developed to facilitate this. Issues to consider:

- Shall the CFD be amended to include provisions for future annexations and if so, can these be handled administratively?
- Shall new annexations be subject to 'catch-up' provisions and pay tax obligations from CFD inception?
- Shall there be limits to future annexations, or other constraints, e.g. single-family residential only, a specific limit on water allocation, etc?

BUDGET IMPACT:

There is no budget impact to this action.

Attachment: Figure 1

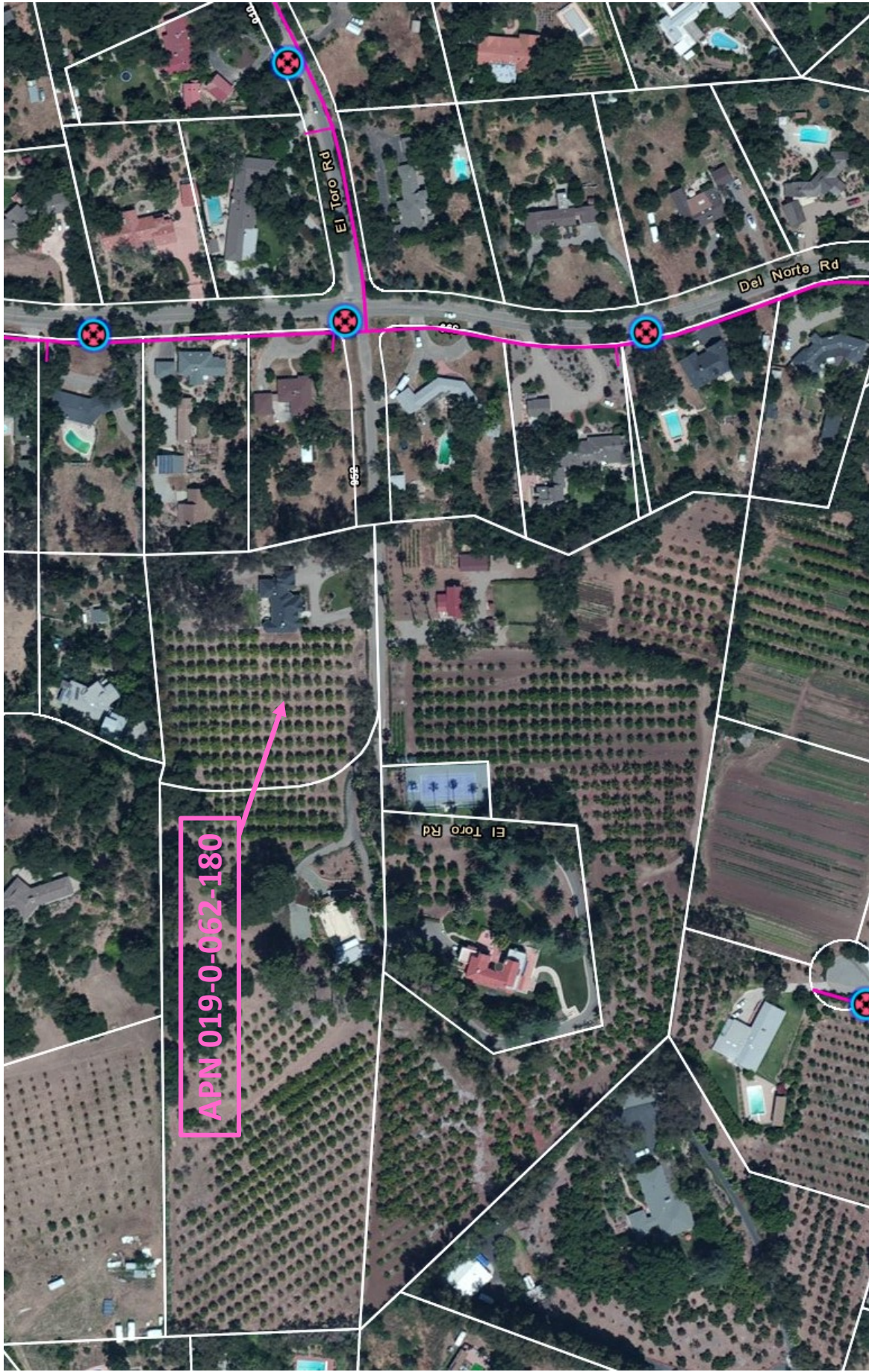


FIGURE 1
APN 019-0-062-180

**CASITAS MUNICIPAL WATER DISTRICT
MEMORANDUM**

TO: EXECUTIVE COMMITTEE
FROM: MICHAEL FLOOD, GENERAL MANAGER
SUBJECT: WEST OJAI PIPELINE REPLACEMENT, SPEC NO 19-408, METER
RELOCATIONS
DATE: 10/09/2020

RECOMMENDATION:

Provide direction to staff and recommendations to the Board for potential funding of customer plumbing improvements related to West Ojai Pipeline Replacement, Specification No. 19-408 Meter Relocations.

BACKGROUND AND DISCUSSION:

The West Ojai Pipeline Replacement, Specification No. 19-408, project includes replacement of a 4-inch cast iron pipe installed in 1951 in an easement that runs through private property. The 2018 Ojai Water System Condition Assessment and Water System Master Plan identified fire flow improvements in the area, shown as Project A4 in Figure 1-1 from that document (attached). The proposed new pipeline will be installed in Cuyama Road for ease of access and future maintenance, and to avoid substantial construction on private property. Sheets 7 and 8 of the 95 percent design drawings are attached for reference, showing the new pipeline to be installed in Cuyama Road.

Ten parcels have meters served from this pipeline and the meters are located at the rear of each property. These parcels are shown in Table 1:

**Table 1
Meter Relocations**

Address	Assessor Parcel No.	New Service Line Source
202 Chico Road	020-0-141-010	New 8-inch line in Cuyama Road
118 Cuyama Road	020-0-141-100	New 8-inch line in Cuyama Road
114 Cuyama Road	020-0-141-090	New 8-inch line in Cuyama Road
110 Cuyama Road	020-0-141-080	New 8-inch line in Cuyama Road
104 Cuyama Road	020-0-141-070	New 8-inch line in Cuyama Road
608 El Paseo Road	020-0-141-060	Existing 8-inch line in Bristol Road
111 Bristol Road	020-0-141-050	Existing 8-inch line in Bristol Road
205 Palomar Road	020-0-141-140	Existing 8-inch line in Palomar Road
209 Palomar Road	020-0-141-030	Existing 8-inch line in Palomar Road
219 Palomar Road	020-0-141-020	Existing 8-inch line in Palomar Road

The meters serving these parcels must be relocated to the front of their property as part of the overall project. As shown in the table, some will be served from the new pipeline and some can be connected to existing pipelines. The attached exhibits show the proposed meter relocations for each parcel.

The District plans to release the Notice Inviting Bids for the project on October 22, 2020 and award a contract for construction at the Board meeting of December 9, 2020. Construction is expected to take six months. The 1951 pipeline can remain in service, but ideally should be taken out of service in a timely fashion.

District staff have reached out to the property owners to advise them of the project. The attached letter was mailed and phone contact was made to most. Many of the customers have expressed concern over the costs associated with plumbing improvements needed on their property to bring a line from the new meter to their house. The extent of improvements may significantly vary based on specific site conditions. These parcels are served by septic systems, which must be taken into consideration for routing the new plumbing.

Options for funding on-site plumbing improvements include:

- No funding
- Set a limited amount for each parcel and owners must fund any additional costs
- Assess plumbing quotes from each owner for validity and fund all or a portion
- Prepare a bid package for on-site improvements for formal bid and have owners release District from liability

BUDGET IMPACT:

The budget for fiscal year 20-21 includes \$1,500,000 from CFD 2013-1 for this project. Customer plumbing improvements related to meter relocations, if any, is also expected to come from CFD 2013-1.

Attachments:

- Figure 1-1 from Ojai Water System Condition Assessment and Water Master Plan
- Sheets 7 and 8 of the 95% design drawings
- Meter relocation exhibits
- Sample letter sent to property owners

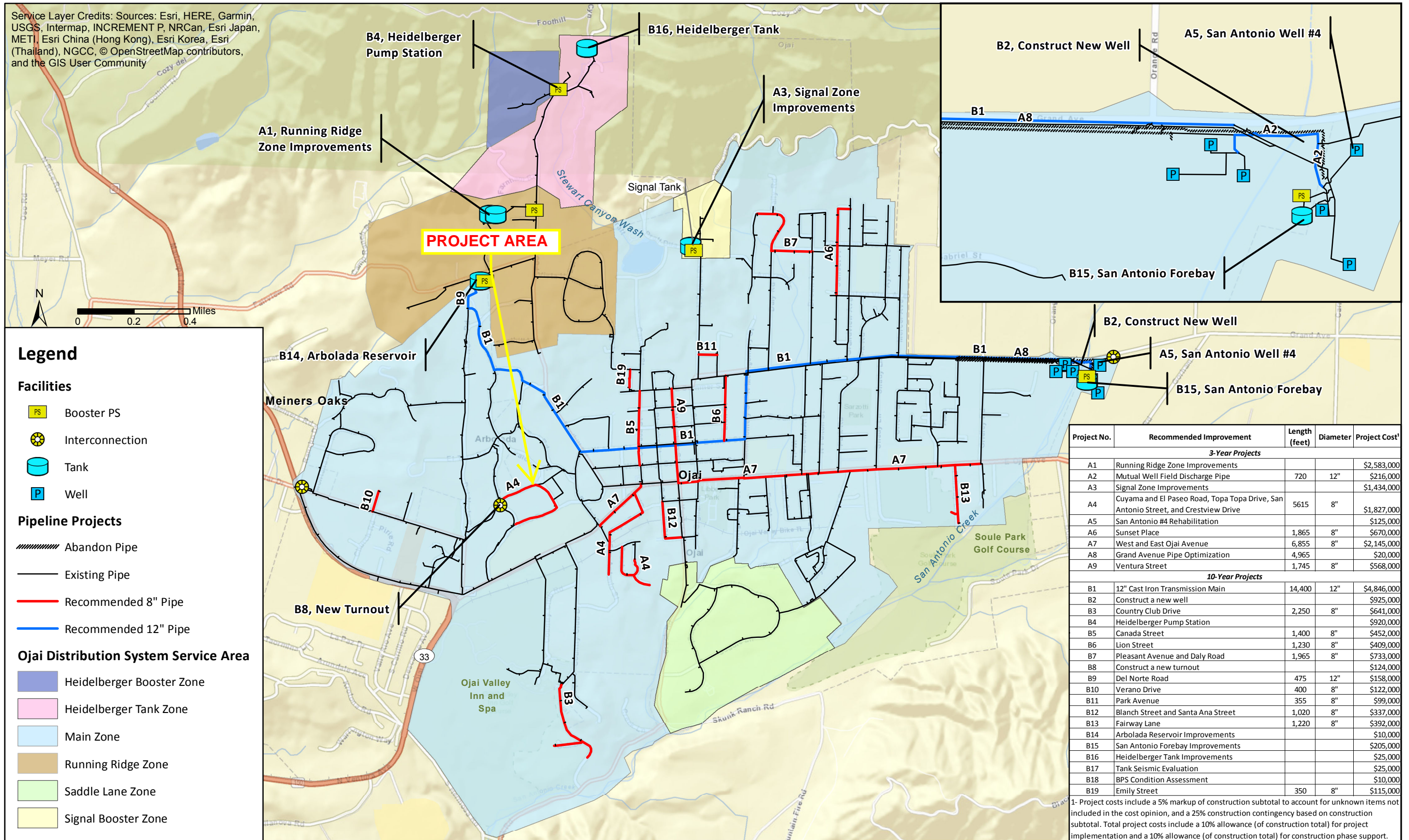


Figure 1-1. Recommended Capital Improvement Projects



Know what's below.
Call before you dig.

LINE TABLE		
LINE #	LENGTH	BEARING
L12	176.35	N68° 37' 14.98"E
L13	12.79	S21° 22' 45.02"E
L14	97.38	S32° 37' 22.28"E
L15	134.51	S43° 52' 22.26"E
L16	193.24	S32° 37' 22.26"E

CONSTRUCTION NOTES

- (P) PROTECT IN PLACE
- (R) REMOVE AND REPLACE IN KIND
- (1) POT HOLE EXISTING UTILITIES PRIOR TO COMMENCING CONSTRUCTION. SUBMIT WRITTEN REPORT TO OWNER INDICATING HORIZONTAL AND VERTICAL LOCATION OF INDICATED UTILITIES.
- (2) ABANDON EXISTING WATER PIPE IN PLACE PER DETAIL C-502
- (3) 8" C900 (DR18) PVC WATERLINE PER SPECIFICATION SECTION 402092. WATERLINE TO HAVE MINIMUM COVER OF 3- FEET UNLESS OTHERWISE NOTED.
- (6) PROTECT EXISTING UTILITY PER DETAIL C-502
- (7) INSTALL 3/4" WATER SERVICE PER DETAIL C-503
- (8) REMOVE EXISTING FIRE HYDRANT AND ABANDON PER DETAIL C-501
- (10) INSTALL 8" GATE VALVE PER SPECIFICATION SECTION 400520 AND DETAIL C-502
- (13) RESTRAINED JOINTS TO EXTENT SHOWN

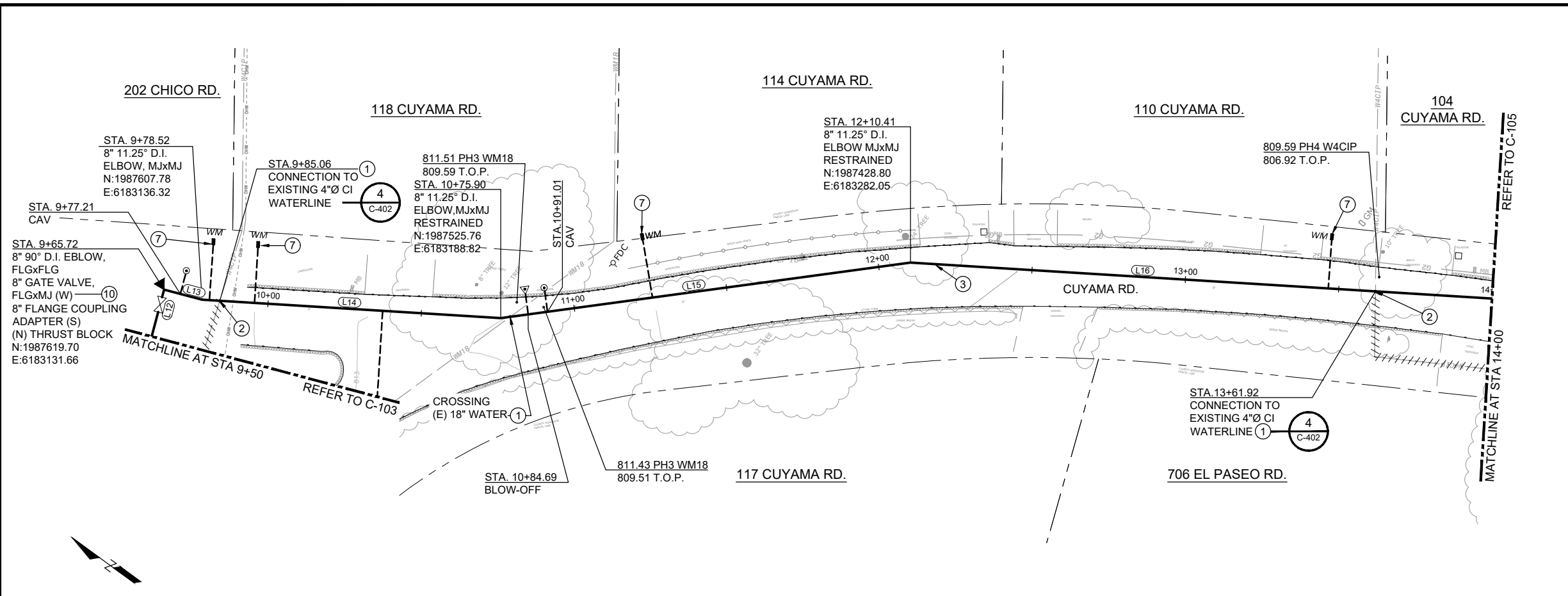
GENERAL NOTES:

- LOCATION OF WATER SERVICES SHOWN ON PLANS ARE APPROXIMATE. CONTRACTOR SHALL LOCATE LATERALS PRIOR TO CONSTRUCTION OF WATERLINE.
- GAS AND SEWER LATERALS EXIST WITHIN THE PROJECT AREA. SOME LOCATIONS ARE UNKNOWN AND ARE NOT SHOWN ON THE PLANS. CONTRACTOR SHALL LOCATE AND PROTECT EXISTING GAS AND SEWER LATERALS PER SPECIFICATION SECTION 020120.
- DISTRICT EMPLOYEES WILL INSTALL AND REMOVE METERS. CONTRACTOR TO COORDINATE METER INSTALLATION WITH DISTRICT A MINIMUM OF 2 WORKING DAYS PRIOR TO WORK.
- ASPHALT CONCRETE REPAIR SHALL BE PER CITY OF OJAI ENCROACHMENT PERMIT, AND DETAIL C-501
- EXISTING 4"Ø CI WATER MAIN IS LIVE AND IS TO BE ABANDONED AND PLUGGED IN PLACE AFTER 8"Ø WATER MAIN AND SERVICE LATERALS HAVE BEEN PRESSURE TESTED, DISINFECTED, AND BROUGHT INTO SERVICE TO THE DISTRICT'S SATISFACTION.
- PROVIDE TRAFFIC CONTROL PER REQUIREMENTS OF CITY OF OJAI ENCROACHMENT PERMIT.
- COORDINATE FINAL LOCATION FOR HYDRANTS, CAVS, AND BLOW-OFFS WITH OWNER'S REPRESENTATIVE PRIOR TO INSTALLATION.

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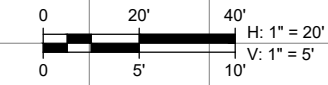
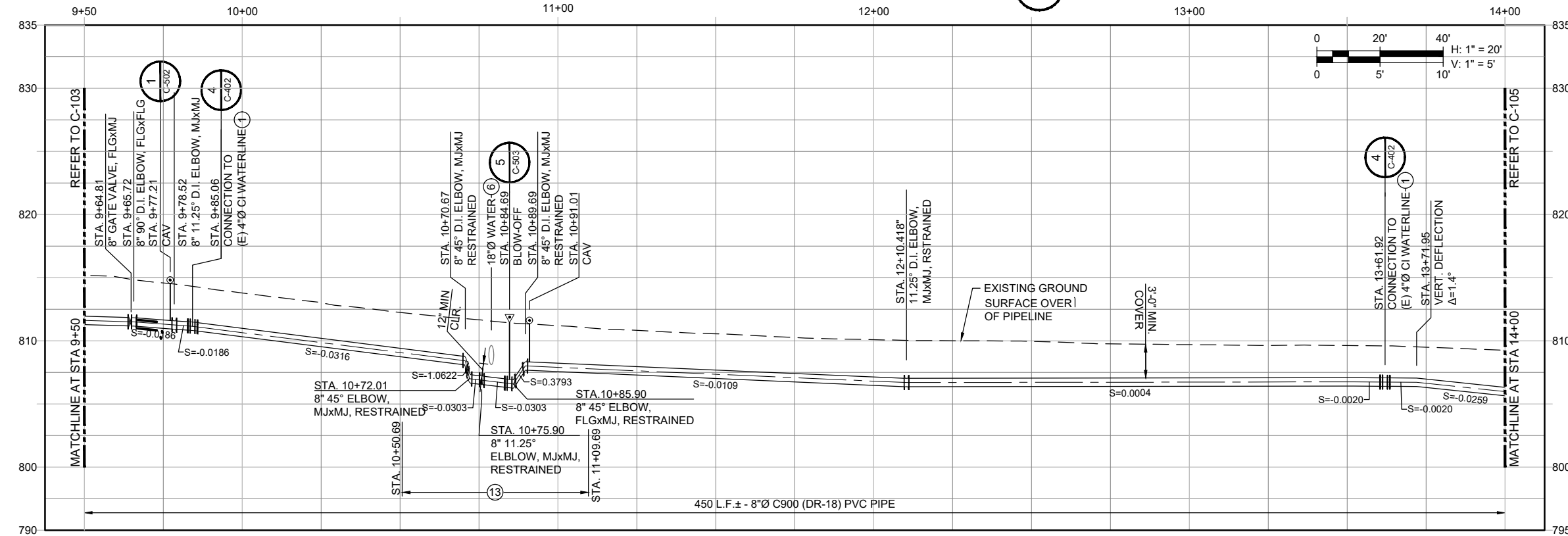
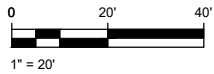
DATE: APRIL 2020

****95% PLANSET - NOT FOR CONSTRUCTION**



STA. 9+50 to STA. 14+00

SCALE: 1" = 20'



REV	DATE	BY	DESCRIPTION

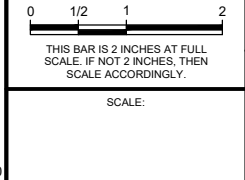


DESIGNED: EKS
 DRAWN: JPF
 CHECKED: ---
 QA/QC: ---
 CONSTRUCTABILITY: ---

EILEEN K. SHIELDS
 REG. # C74757 EXP. 12/31/2021



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CASITAS MUNICIPAL WATER DISTRICT
 WEST OJAI PIPELINE REPLACEMENT PROJECT

PROJECT NUMBER: **19-408**
 DRAWING NUMBER: **C-104**
 SHEET NUMBER: **7 OF 25**

CUYAMA ROAD SITE PLAN AND PROFILE
 STA. 9+50 to STA. 14+00

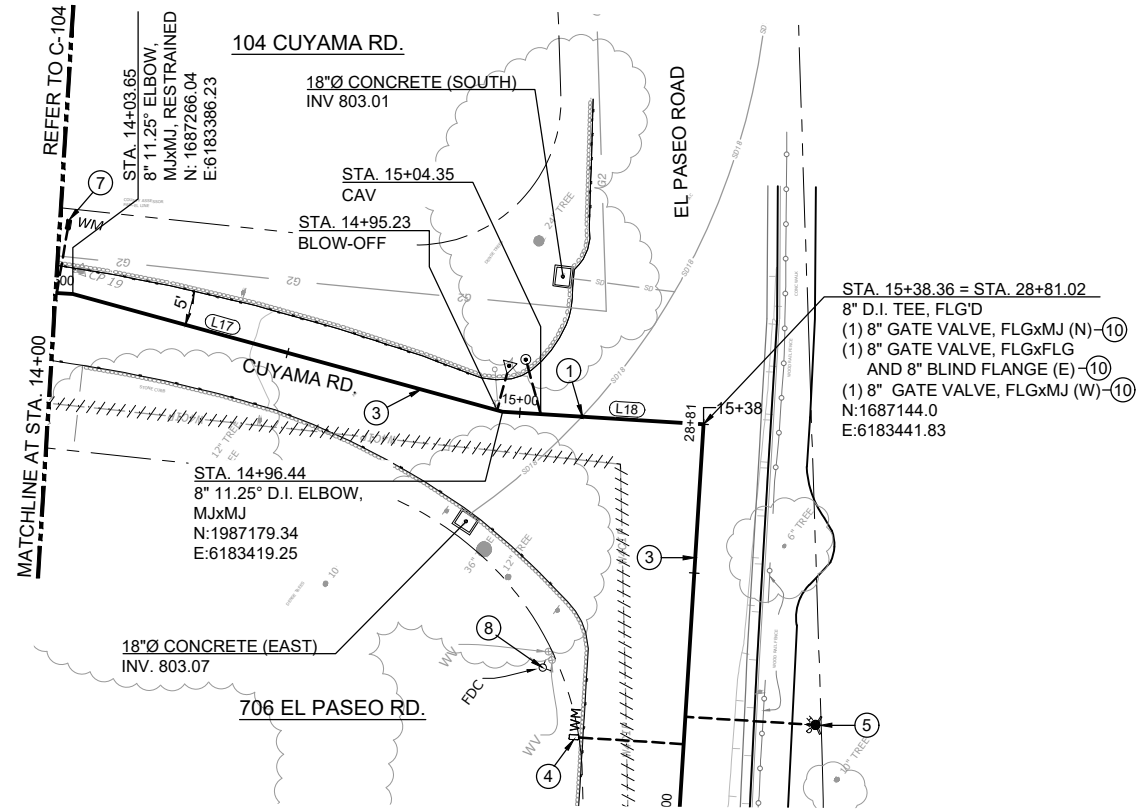


Know what's below.
Call before you dig.

LINE TABLE		
LINE #	LENGTH	BEARING
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L18	41.92	S32° 34' 37.96"E

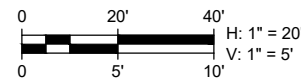
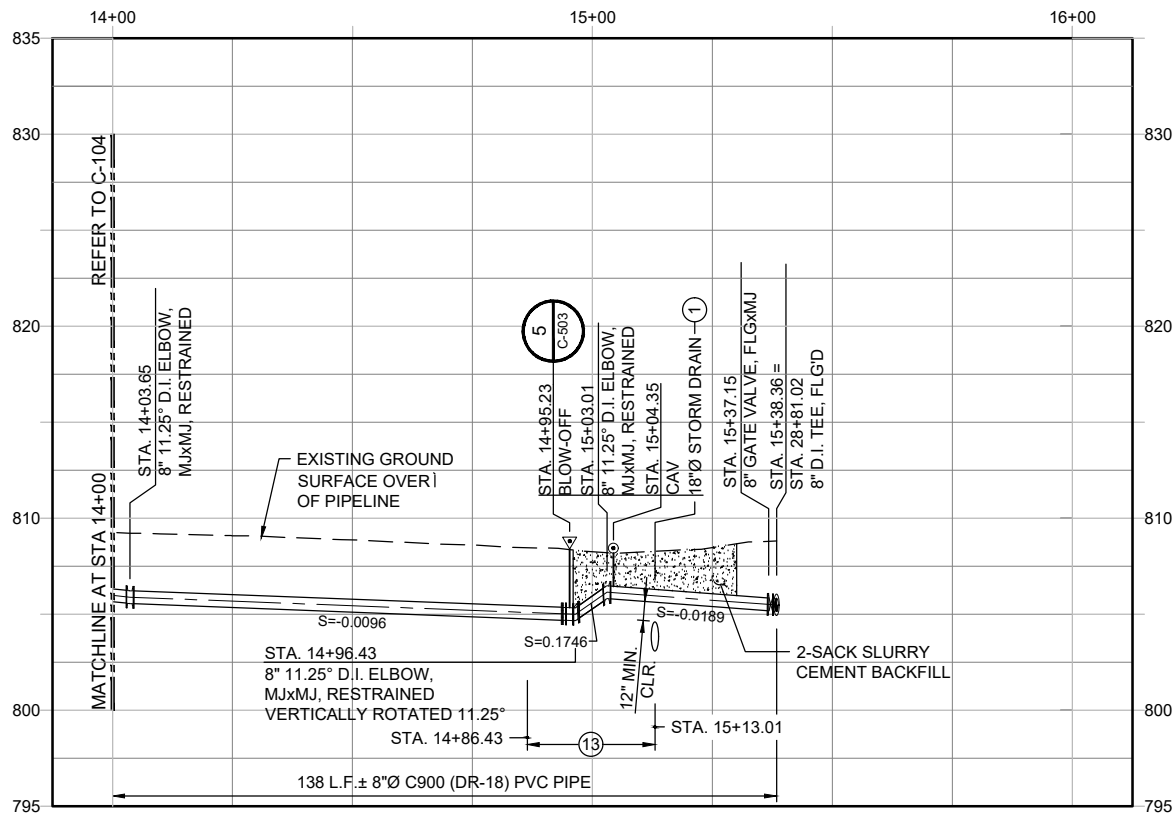
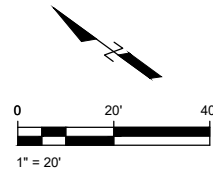
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- (4) RECONNECT EXISTING 1" WATER SERVICE PER DETAIL C-503
- (5) INSTALL NEW FIRE HYDRANT PER DETAIL C-503
- (7) INSTALL 3/4" WATER SERVICE PER DETAIL C-503
- (8) REMOVE EXISTING FIRE HYDRANT AND ABANDON PER DETAIL C-501
- (9) RECONNECT EXISTING 3/4" WATER METER PER DETAIL C-503
- (10) INSTALL 8" GATE VALVE PER SPECIFICATION SECTION 400520 AND DETAIL C-502
- (13) RESTRAINED JOINTS TO EXTENTS SHOWN



STA. 14+00 to STA. 15+38.36

SCALE: 1" = 20'



GENERAL NOTES:

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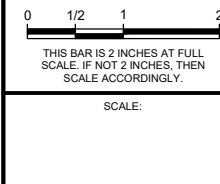


DESIGNED: EKS
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EILEEN K. SHIELDS
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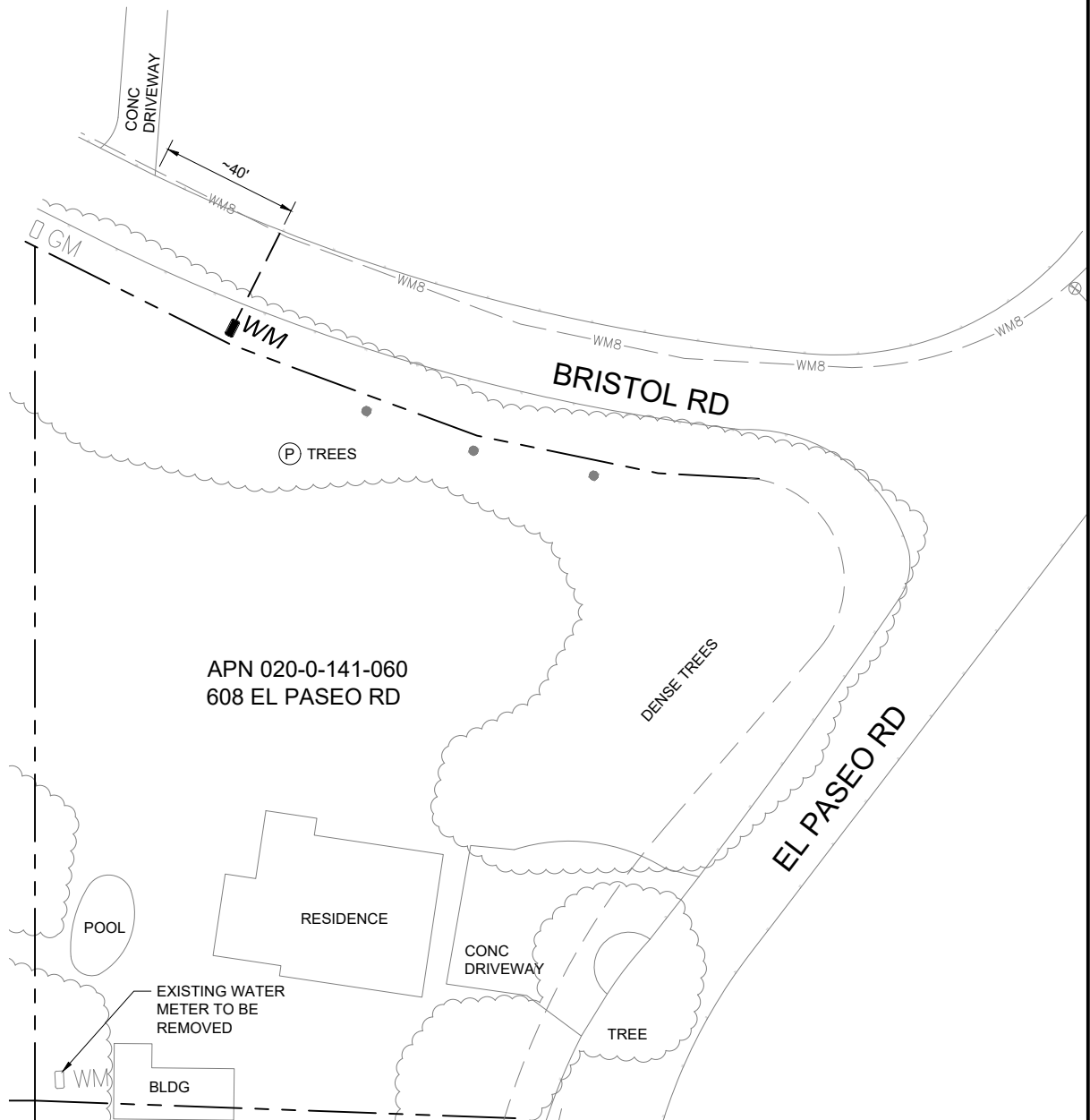
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CASITAS MUNICIPAL WATER DISTRICT
 WEST OJAI PIPELINE REPLACEMENT PROJECT

CUYAMA ROAD SITE
PLAN AND PROFILE
 STA. 14+00 to STA. 15+38.36

PROJECT NUMBER
19-408
 DRAWING NUMBER
C-105
 SHEET NUMBER
8 OF 25



APN 020-0-141-060
608 EL PASEO RD

NOTES:

- DIMENSIONS SHOWN AND LOCATION OF EXISTING AND PROPOSED WATER METERS ARE APPROXIMATE. CONTRACTOR SHALL MARK SERVICE LINE AND PROPOSED WATER METER LOCATION FOR DISTRICT APPROVAL A MINIMUM OF 3 WORKING DAYS PRIOR TO WORK.
- CONNECT NEW WATER SERVICE TO WATER MAIN PER DISTRICT STANDARD DRAWING SD-11 AS SHOWN ON THE PROJECT DRAWINGS.
- NEW WATER METER TO BE INSTALLED BY DISTRICT. EXISTING WATER METER TO BE REMOVED BY DISTRICT.

- ALL EXISTING UTILITIES ARE NOT SHOWN. CONTRACTOR SHALL LOCATE AND PROTECT EXISTING GAS, ELECTRIC, SEWER, AND CABLE/PHONE SERVICES.
- RIGHT OF WAY AND LOT LINES SHOWN HEREON WERE COMPILED FROM VARIOUS PUBLIC SOURCES, INCLUDING COUNTY ASSESSOR DATA, RECORD DOCUMENTS, AND OTHER HISTORICAL MAPS AND HAVE BEEN GEOREFERENCED BY A LIMITED SET OF FIELD DATA AVAILABLE. THIS DOES NOT REPRESENT A BOUNDARY ESTABLISHMENT SURVEY AND THE LINES ARE APPROXIMATE AND FOR GENERAL REFERENCE ONLY.

LEGEND:

- (P) PROTECT IN PLACE
- (R) REMOVE AND REPLACE
- WM EXISTING WATER METER
- WM NEW WATER METER
- W8PVC — NEW WATERLINE
- - - W4CIP - - - EXISTING WATERLINE
- — — — — EDGE OF PAVEMENT
- — — — — PROPERTY LINE
- - - - - PROJECTED PROPERTY LINE



1" = 50'



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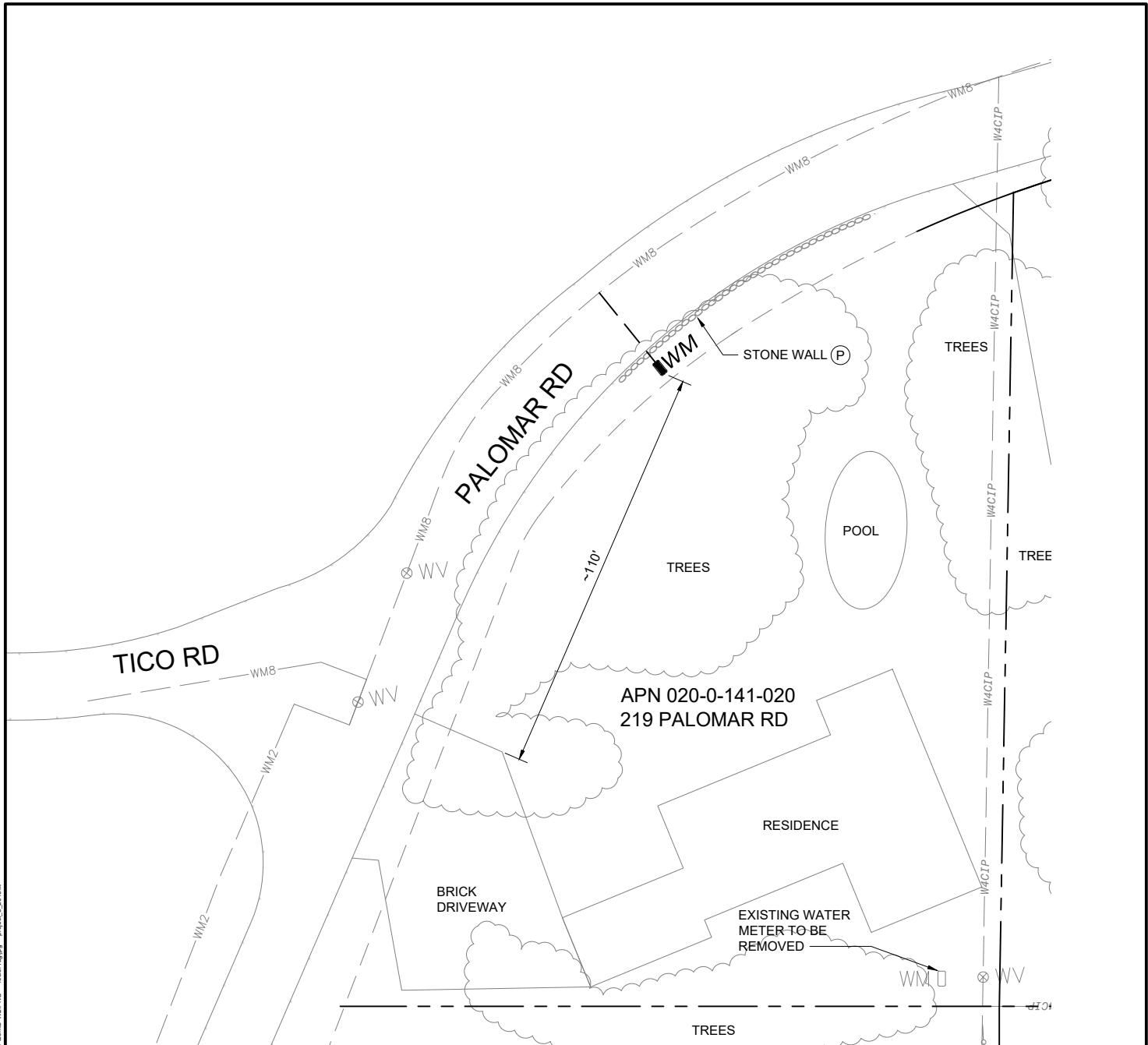
CASITAS MUNICIPAL WATER DISTRICT
WEST OJAI PIPELINES REPLACEMENT PROJECT

608 EL PASEO ROAD
APN 020-0-141-060

DRAFT

SITE

6



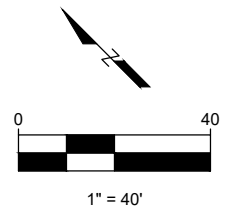
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- PROJECTED PROPERTY LINE



PWS: \\nas01\p\cadd\Cadd\Cadd\2016\02_20_16\02_20_16_Waterline_Replacement\020_20_16_02_20_16_Waterline_Replacement_CAD.dwg USER: Mike Thomas
 DATE: 02/25/2016 2:05pm AREAS: REF-G:0201\THADOR REF-C:0101 REF-C:0101 REF-C:0101 REF-C:0101 REF-C:0101 REF-C:0101 REF-C:0101 REF-C:0101
 TSS: \\nas01\p\cadd\Cadd\Cadd\2016\02_20_16\02_20_16_Waterline_Replacement\020_20_16_02_20_16_Waterline_Replacement_Plot.dwg USER: Mike Thomas
 DATE: 02/25/2016 2:05pm AREAS: REF-G:0201\THADOR REF-C:0101 REF-C:0101 REF-C:0101 REF-C:0101 REF-C:0101 REF-C:0101 REF-C:0101 REF-C:0101



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CASITAS MUNICIPAL WATER DISTRICT
 WEST OJAI PIPELINES REPLACEMENT PROJECT

219 PALOMAR ROAD
 APN 020-0-141-020

DRAFT

SITE

10



October 2, 2020

Sue Burr
111 Bristol Road
Ojai CA 93023

via email sueburr@icloud.com

Re: Abandonment of 4-inch water main and relocation of water service, APN 020-0-141-050, 111 Bristol Road, Ojai CA 93023

Dear Property Owner,

As part of the acquisition of the Ojai Water System from Golden State Water Company in 2017, Casitas Municipal Water District is in the process of replacing aged water mains to bring them to current standards. We are also abandoning water mains which run through private property and placing them in the public right-of-way when possible.

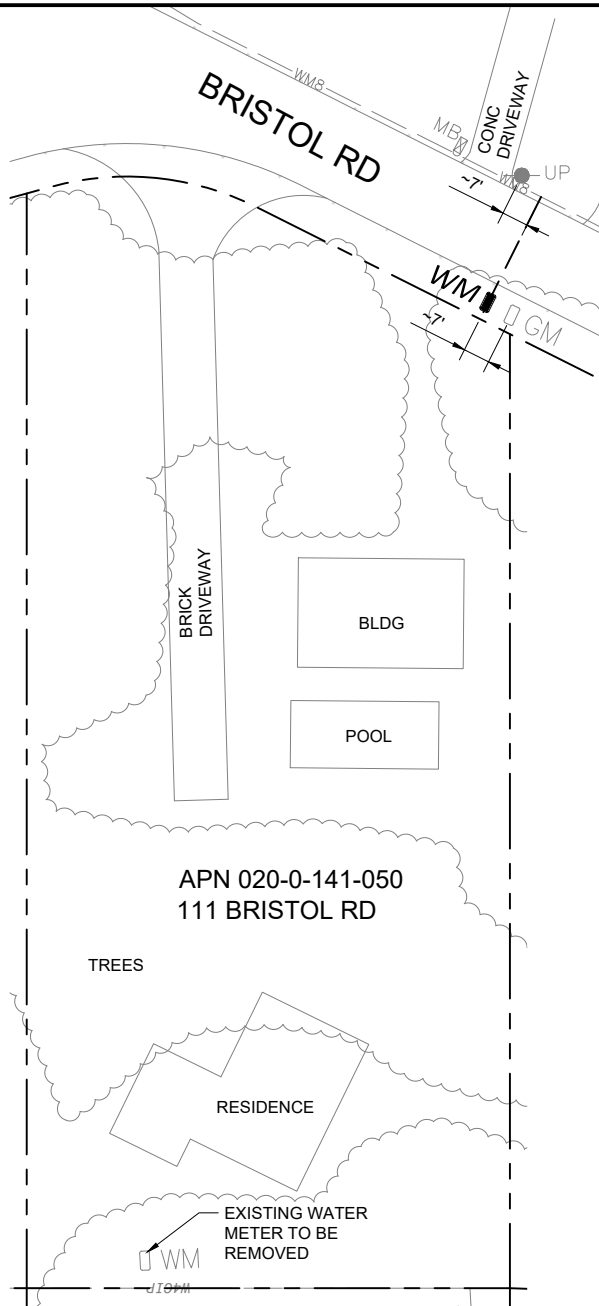
The water main serving your property is a 4-inch cast iron main installed in 1951 and is located in an easement on private property. Since this 1951 main will be abandoned, the service line and meter to your property must be relocated. Your new service will come from an existing 8-inch main in Bristol Road. We have attached an exhibit showing the location of the proposed new location of your water meter.

Casitas plans to move forward with the pipeline construction in early 2021 and abandon the 1951 water main by the end of 2021. The new location of your meter requires the plumbing system on your side of the meter to be re-routed to the new meter location. We understand this may take some time on your part and wanted to provide you with ample notice of the project so you can coordinate the work on your side of the meter.

We will provide you with updates as the project progresses. Please let us know if you have any questions and we will be happy to assist you.

Sincerely,

Julia Aranda, P.E.
Engineering Manager
jaranda@casitaswater.com
805.649.2251 x107
805.667.7322 cell



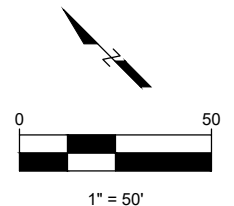
NOTES:

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2. CONNECT NEW WATER SERVICE TO WATER MAIN PER DISTRICT STANDARD DRAWING SD-11 AS SHOWN ON THE PROJECT DRAWINGS.
3. NEW WATER METER TO BE INSTALLED BY DISTRICT. EXISTING WATER METER TO BE REMOVED BY DISTRICT.

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- — — — — PROPERTY LINE
- - - - - PROJECTED PROPERTY LINE



P:\GIS\Projects\Casita\Drawings\2013\02\10\1000\1000.dwg, 10/25/2013 10:00:00 AM, User: jgarcia, Plot Date: 10/25/2013 10:00:00 AM, Plot Scale: 1" = 50', Plot Path: P:\GIS\Projects\Casita\Drawings\2013\02\10\1000\1000.dwg, Project: 1000.dwg, Project Date: 10/25/2013 10:00:00 AM, Project Path: P:\GIS\Projects\Casita\Drawings\2013\02\10\1000\1000.dwg



WATER - WASTEWATER - REUSE

P.O. BOX 1604
 ARROYO GRANDE, CA 93421 (805) 904-6530

**CASITAS MUNICIPAL WATER DISTRICT
 WEST OJAI PIPELINES REPLACEMENT PROJECT**

**111 BRISTOL ROAD
 APN 020-0-141-050**

DRAFT

SITE

7

MEMORANDUM

TO: Executive Committee

From: Michael L. Flood, General Manager

RE: **Review and Discussion of the California State Water Project Delta Conveyance Facility (DCF), DCF Agreement in Principle (AIP), and Department of Water Resources DCF Funding Agreement.**

BACKGROUND:

The Ventura Flood Control Protection District (VCFPD) (now the Ventura County Watershed Protection District (VCWPD)) signed a contract with the State of California Department of Water Resources (DWR) in the early 1960s for the delivery of up to 20,000 Acre-Feet of State Water Project Water Supply (known in the contract as Table A water) annually.

In 1971, Casitas MWD signed an agreement with VCFPD taking over the costs and administrative responsibilities of the VCFPD State Water Contract.

Subsequently, Casitas MWD signed agreements with both Ventura Water (City of Ventura) and the United Water Conservation District assigning 10,000 Acre-Feet of State Water Project Table A to Ventura Water and 5,000 Acre-Feet to United Conservation District.

Casitas MWD remains the administrator of the contract but VCWPD is still the named contractor on the State Water Project contract and thus must execute any amendments to that contract.

The State of California Department of Water Resources (DWR) and the State Water Project Contractors (SWC) have been in negotiations on the development of a Delta Conveyance Project/Delta Conveyance Facility (DCP/DCF) for the past several years that has resulted in a final Draft Agreement in Principle (AIP) in April 2020.

In August of 2020, the SWCs distributed a proposed funding agreement that will fund the DWR's four-year planning activities for the DCP/DCF in the amount of \$385,000,000.00.

DISCUSSION:

Alternative conveyance through the California Delta has been ongoing subject of negotiations between the DWR and SWCs for many years.

The basic concept has been to provide a way to move water around the delta rather than through the delta as it has been since the project began operations.

This concept was also part of the original design of the State Water Project, included due to concerns of possible environmental impacts of necessary south-of-delta pumping.

The most recent proposal put forward by Governor Newsom is a single tunnel under the delta that will have two intakes on the Sacramento River and provide a total capacity of 6,000 cubic feet per second (CFS).

Current estimates are that without the DCP/DCF, average annual Table A allocations will necessarily drop from a current estimated yearly average of 60% to a range of 52% to 35% due to a number of factors including impacts of climate change.

The estimated total cost of the project currently stands at approximately \$15.9 Billion.

Earlier this year, the DWR and SWCs negotiated an Agreement in Principle (AIP) that outlines the design, construction and operation of the project (attached). The AIP doesn't currently require Board of Directors action but will eventually be transformed into a Contract Amendment that will.

The next phase of the project involves the DWR embarking on a four-year planning study with an estimated cost of \$385 Million.

State Water Contractor Cost Share in the DCP/DCF:

The three current options for a State Water Contractor (SWC) to participate in DCP/DCF project is as follows:

1. Opt-Out: the SWC will bear no costs as well as receive no benefit from the project. Average annual Table A allocation will likely be impacted as noted above.
2. Opt-In at 100%: the SWC will bear the cost of the project in proportion to their Table A allocation (Currently stands at 0.48% for Ventura County)
3. Opt-In at greater than 100%: as a result of SWC negotiations of the AIP, additional water is available through the opt-out negotiations that have occurred. The SWC will bear additional cost but will also receive a benefit of additional equivalent Table A water. (Currently stands at 0.55% with a benefit of 2,139 Acre-Feet of Equivalent Table A Annual Allocation)

The estimated costs of each option is summarized in the table below.

DCP/DCF PROJECT COST OPTIONS AND ESTIMATES
 (BASED ON A \$15,900,000,000 CURRENT PROJECT COST ESTIMATE)

<u>OPTION</u>	<u>COST PERCENTAGE</u>	<u>ESTIMATED FULL VCWPD SWP CONTRACT COST*</u>	<u>CASITAS SHARE (25%)</u>	<u>EXPECTED NET EFFECT IN TERMS OF WATER SUPPLY</u>
OPT-OUT	ZERO	NONE	NONE	REDUCTION IN AVERAGE ANNUAL TABLE A ALLOCATION
OPT-IN (100%)	0.48%	\$76 MILLION	\$19 MILLION	MAINTAIN CURRENT AVERAGE ANNUAL TABLE A ALLOCATION OF 60%
OPT-IN (100% PLUS)	0.55%	\$87 MILLION	\$22 MILLION	ADDITIONAL AVERAGE ANNUAL TABLE A ALLOCATION

*Note: The State Water Contract currently shared by Casitas, the City of Ventura, and the United Water Conservation District is in the name of the Ventura County Watershed Protection District.

The Opt-In Plus option is expected to yield an additional 2,139 Acre-Feet of Equivalent Table A allocation to the full VCWPD SWP contract of which Casitas would receive 25% or 535 Acre-Feet.

As administrator of the VCWPD State Water Contract, Casitas has indicated to the SWC group that it should assume Casitas, Ventura and United would choose the Opt-In 100% Plus option pending further discussion and action amongst the three parties.

State Water Contractor Cost Share in the DWR Planning Effort:

The next proposed step in the DCP/DCF project is for the Department of Water Resources to conduct a planning study which is expected to take four years and cost approximately \$385 Million.

Each State Water Contractor (SWC) that plans to Opt-In to the DCP/DCF project will be required to execute a funding agreement with the DWR that will allow them to begin the work by being assured of funding from the SWCs.

The level of funding will be based on the level of participation in the overall project. At this point in time, Casitas has indicated to the other Contractors that they should assume the VCWPD SWP contract is in for 100% Plus (0.55% Cost Share).

The VCWPD SWP Contract cost of the DWR study along with Casitas' assumed portion is outlined in the table below.

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Total</u>
VCWPD SWP Contract Amount	\$431,184	\$469,390	\$600,382	\$600,382	\$2,101,339
Casitas Share	\$107,796	\$117,348	\$150,096	\$150,096	\$525,335

The DWR will bill these costs through either monthly or semi-annual installments starting in January of 2021.

The SWCs are asking that all funding agreements be executed by the end of November 2020.

Conclusion:

The DCP/DCF still has unknowns as to its final costs which will take a few years to work out.

Further Board of Directors action in the future via a State Water Project contract amendment will be required in order to make a final commitment to participation in the construction of the DCP/DCF.

A commitment to funding the DWR's Planning Study should be considered the next step toward making a final decision on the overall DCP/DCF.

Additionally, the desires of the City of Ventura and United Conservation District as to their willingness to fund the DCP/DCF at their traditional contractual levels is pending further consideration and action by their respective elected officials.

Should either or both the City of Ventura and United decide to Opt-Out of the DCP/DCF, staff will bring this issue back to the Board for further consideration.

Next Steps:

1. Committee send this information to the Board of Directors for discussion and action on the DCP/DCF participation level: Opt-Out, Opt-In (100%), or Opt-In (100% Plus)
2. If the Board decide to Opt-In the required actions will be:
 - Affirmation of the Opt-In level of participation.
 - Adoption of a resolution instructing the VCWPD to execute the DWR DCP/DCF Planning Study funding agreement.
 - Direction to staff to explore Casitas MWD funding sources for the four-year study.

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Three groups:

- **Group A: Contractors who did not sign 2018 (Use this form agreement)**
- **Group B: Signed 2018**
 - o **but no reimbursement**
Signed 2018 but reimbursed
- **Group C: Signed 2018 and signed 2019 reauthorization (re-authorize use of x and add some sum)**

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**State of California
California Natural Resources Agency
DEPARTMENT OF WATER RESOURCES**

**AGREEMENT FOR
THE ADVANCE OR CONTRIBUTION OF MONEY TO
THE DEPARTMENT OF WATER RESOURCES
BY
THE [] WATER DISTRICT**

**FOR PRELIMINARY PLANNING AND DESIGN COSTS RELATED TO A
POTENTIAL DELTA CONVEYANCE PROJECT**

THIS AGREEMENT is made, pursuant to the provisions of all applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources (“Department” or “DWR”), and the [] Water District (“Contractor”), each herein referred to individually as a “Party” and collectively as the “Parties”.

Recitals

WHEREAS, DWR and the Contractor listed on the signature page hereto have entered into and subsequently amended a long-term water supply contract, herein referred to as a “Water Supply Contract,” providing that DWR will supply certain quantities of water to the Contractor, providing that Contractor shall make certain payments to DWR, and setting forth the terms and conditions of such supply and such payments; and

WHEREAS, the Bay Delta Conservation Plan (“BDCP”) process was initiated in 2005-2006 and the Delta Habitat Conservation and Conveyance Program (“DHCCP”) was initiated in 2008; and

WHEREAS, the Bay Delta Conservation Plan (“BDCP”) and (“DHCCP”) resulted in development of a project known as the California WaterFix (“WaterFix”); and

WHEREAS, on July 21, 2017, DWR approved the California WaterFix project; and

WHEREAS, certain Contractors have entered into that certain Joint Powers Agreement dated May 14, 2018 forming the Delta Conveyance Design and Construction Authority (“DCA”); and

WHEREAS, DWR and DCA have entered into that certain Joint Powers Agreement (“JEPA”), dated May 22, 2018, as amended and restated, and as the same has or may be further amended, wherein the DCA will provide preliminary design, planning and other preconstruction activities to

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assist the environmental planning process for a potential Delta conveyance project under the supervision of DWR (the “Work” as defined in the JEPA); and

WHEREAS, Contractor previously entered into a funding agreement with DWR dated August 24, 2018 to provide a share of preconstruction planning activity costs for California WaterFix (“2018 Gap Funding Agreement”); and

WHEREAS, a copy of the resolution of the Board of Directors of Contractor authorizing its General Manager to execute this Agreement is attached hereto as Exhibit A; and

WHEREAS, a State Agency may advance or contribute funds to DWR for SWP purposes pursuant to Water Code section 11135 and (ii) DWR may accept such advanced or contributed funds and thereafter use such funds in accordance with the terms of this Agreement pursuant to Water Code section 11141; and

WHEREAS, DWR and Contractor desire to enter into this funding Agreement to provide for the contribution or advance of funds to DWR and authorize the use of the contributed funds for purposes related to environmental review, planning and design of a Delta conveyance project as described below.

AGREEMENT

NOW, THEREFORE, it is mutually agreed by the Parties as follows:

1. When used in this Agreement, terms defined in the Water Supply Contract (as defined herein) shall be defined by reference to the Water Supply Contractor. In addition, the following definitions shall apply:
 - a. “**Calendar Year**” means the period January 1 through December 31.
 - b. “**Contributed Funds**” means money contributed or advanced to DWR by Contractor pursuant to this Agreement. The total initial amount Contractor agrees to provide is [amount] and is comprised of the following annual amounts to be paid to DWR in the manner described in Section 5 of this Agreement are [amount] for 2020, [amount] 2021...
 - c. “**Contribution Payment(s)**” means the payments of Contributed Funds that Contractor agrees to provide to DWR pursuant this Agreement
 - d. “**Contractor**” means a State Agency that is a party to a Water Supply Contract with DWR.
 - e. “**Department**” or “**DWR**” means the California Department of Water Resources.

Commented [A1]: Use this paragraph to customize for each contractor.

- f. **“Effective Date”** has the meaning ascribed to it in section 11 hereof.
 - g. **“JEPA”** means the Joint Exercise of Powers Agreement between DWR and the DCA dated May 22, 2018, as amended and restated and as may be further amended from time to time.
 - h. **“Pay-Go Charge”** means the charge included on Contractor’s Statements of Charges for the purpose of collecting Contributed Funds that Contractor agrees to advance or contribute to DWR pursuant to this Agreement.
 - i. **“Party”** or **“Parties”** means DWR, the undersigned Contractor, or all signatories to this Agreement.
 - j. **“State Agency”** has the meaning ascribed to it by Water Code section 11102.
 - k. **“SWP”** or **“State Water Project”** means the State Water Project operated by DWR. The SWP generally includes the State Water Facilities, as defined in California Water Code section 12934(d), and certain facilities authorized by the Central Valley Project Act at section 11100 *et. seq.*
 - l. **“Water Supply Contract”** means the long-term water supply contract, as amended and as may be amended in the future, between Contractor and DWR.
 - m. **“Work”** has the meaning ascribed to it in the Recitals to this Agreement.
2. Effect of Agreement. DWR and Contractor agree that nothing in this Agreement supersedes previous funding agreements or the obligations under those funding agreements unless specifically addressed in this Agreement.
 3. Purposes of Agreement. This Agreement documents Contractors agreement to provide Contributed Funds to DWR for the purposes set forth in Section 4, the manner of providing those funds as set forth in Section 5, and the means by which future contributions may be made.
 4. Use of Funds. DWR shall use the Contributed Funds and any future Contributed Funds collected from Contractor pursuant to section 5 hereof, for the payment of DCA invoices submitted to DWR on or after the Effective Date for the Work done or costs incurred by DCA, or for Delta conveyance project planning work done by DWR through the Delta Conveyance Office (“DCO”) and any other purpose consistent with the JEPA, as the same has been, and may be, amended from time to time..
 5. Charge Procedure. [Option 1: Contractor shall pay its Pay-Go Charge on the date(s) and in the amount(s) set forth on the revised Statement of Charges for 2020, and subsequent

Statements of Charges issued to Contractor by DWR. The annual amounts [note these are spelled in definition now] will be paid in [twelve monthly] [two semi-annual] installments.] Option 2: Contractor agrees to pay its Contribution Payments on or before the dates set forth in the Contributed Funds definition.] Contractor may agree, without amending this Agreement, to advance additional funds after the Effective Date, which shall be considered Contributed Funds, by delivery to DWR of a letter in substantially the form attached hereto as Exhibit B, which letter shall specify the amount to be advanced or contributed, whether the payments will be in the form of one or more lump sums or in 12 equal installments, and together with such other information the Parties deem necessary or desirable to effectuate the advance or contribution. A copy of the resolution, or other Board authorization, of Contractor's Board of Directors approving the subject contribution shall be enclosed with the letter. Upon receipt of a contribution letter DWR shall indicate its agreement by returning a counter signed copy of the letter to Contractor. The agreed upon advance or contribution shall thereafter be included in Contractor's Statement of Charges or a revised Statement of Charges, as appropriate. The charge shall be designated by reference to the year in which the charge is to begin, followed, if there be more than one such subsequent advance or contribution in a year by a dash and an integer followed by the words Pay-Go Charge.

Commented [A2]: If you want to put this on SOC choose option 1. If you want to make lump sum payments choose option 2 language.

6. Limitation. With respect to the Work and the DCA, nothing in this Agreement imposes any duty or obligation either expressly or by implication on DWR other than the duty to use Contributed Funds to pay the undisputed portion of DCA invoices submitted to DWR during the term of this Agreement in accordance with the terms of this Agreement and the JEPA if, as and when Contributed Funds have been received by DWR under this Agreement and other similar agreements or arrangements with other Contractors for purposes substantially the same as those described herein and is available for the payment thereof.
7. Reporting. DWR, through its DCO and in coordination with its State Water Project Analysis Office (SWPAO), shall annually prepare a report summarizing the advances or contributions received, and expenditures made pursuant to, this Agreement. The first such report shall be completed not later than March 31, 2021 and thereafter not later than March 31 of each subsequent year. Contractor may request in writing a summary of the advances, contributions, and expenditures at any time during the term of this Agreement and DWR shall provide such within thirty (30) days of such written request.
8. Status of Project. Contractor recognizes that the funds contributed pursuant to this Agreement are for the planning activities in support of DWR's environmental review and permitting process, including but not limited to the Work, for a potential Delta Conveyance project. The advance or contribution of Contributed Funds is not contingent on, or in exchange for, DWR's agreement to exercise its discretion in future to approve a Delta conveyance project.
9. Unspent Funds. Upon termination of this Agreement, it is the intent of the Parties that any unspent Contributed Funds remaining after payment of all costs for which the funds were contributed will be returned to Contractor as a credit on Contractor's Statement of Charges

in proportion to its percentage share of advances or contributions made by all Contractors that entered into Agreements similar to this Agreement.

10. Reimbursement of Contributed Funds. If a Delta conveyance project is approved by DWR and is implemented it is the intent of the Parties hereto that the Contributed Funds spent in accordance with this Agreement be reimbursed or credited to Contractor according to the relative amount each such Contractor paid pursuant to this Agreement, upon the issuance and sale of revenue bonds by either the Department or a Joint Powers Authority established , whichever occurs earlier, for the purpose of, among other things, funding a future Delta conveyance facility. The Department shall be under no obligation to issue and sell bonds for the purpose(s) described in the foregoing sentence or to undertake any reimbursement or credit as so described, unless a determination is first made by DWR in its sole discretion that such issuance and sale of revenue bonds, such reimbursement, or such credit as applicable is consistent with applicable law, applicable judicial rulings, and applicable contractual obligations of DWR, and the Parties have negotiated and executed such further agreements as may be necessary to accomplish such credit or reimbursement on terms acceptable to DWR.
11. Effective Date and Term. This Agreement shall become effective on the date the last Party hereto signs the Agreement as set forth on the signature page(s) hereto ("Effective Date") and shall continue in effect until terminated in writing by the Parties. The Parties obligations under Section 10 shall survive termination of this Agreement.
12. Invoices, Notices or Other Communications. All invoices, notices, or other communications required under this Agreement will be in writing, and will be deemed to have been duly given upon the date of service, if: (i) served personally on the Party to whom notice is to be given; (ii) sent by electronic mail, and the Party to whom notice is to be given confirms receipt; or (iii) on the third day after mailing, if mailed to the Party to whom invoice, notice or other communication is directed, by first-class mail, postage prepaid, and properly addressed to the designated representative(s) of the Party set forth below.

DWR: Pedro Villalobos
Chief, State Water Project Analysis Office
Department of Water Resources
1416 Ninth Street, Room 1620
Post Office Box 94236
Sacramento, California 94236-0001

Copy to
Anthony Meyers
Executive Director, Delta Conveyance Office
Department of Water Resources
901 P Street, Room 413
Sacramento, California 94236-0001

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Copy to
Christopher Martin
Office of the Chief Counsel
Department of Water Resources
1416 Ninth Street, Room 1620
Post Office Box 94236
Sacramento, California 94236-0001

Contractor:

Copy to:
Douglas Headrick
General Manager
San Bernardino Valley Municipal Water District
380 East Vanderbilt Way
San Bernardino, CA 92408

Commented [A3]: Insert each contractors info.

13. No Delegation of Authority. Nothing in this Agreement constitutes a delegation by any Party of its existing authority to make any decision it is mandated to make. Nothing in this Agreement shall limit DWR's final decision-making authority at the time of consideration of future Delta conveyance facility related approvals. All provisions of this Agreement are intended to be, and shall to the extent reasonable be interpreted to be, consistent with all applicable provisions of State and federal law. The undersigned recognize that the Parties are public agencies and have specific statutory responsibilities, and that actions of these public agencies must be consistent with applicable procedural and substantive requirements of State and federal law. Nothing in this Agreement is intended to, nor will have the effect of, constraining or limiting any public agency in carrying out its statutory responsibilities or requiring an agency to take any action inconsistent with applicable law. Nothing in this Agreement constitutes an admission by any Party as to the proper interpretation of any provision of law, nor will it have the effect of, waiving or limiting any public entity's rights and remedies under applicable law except as expressly provided elsewhere in this Agreement. Execution of this Agreement does not constitute pre-approval of any project or preferred project alternative, or waive or otherwise abridge responsible trustee duties required, or discretion authorized or granted by, State and federal law.
14. Amendment. Except as otherwise set forth above, this Agreement may only be amended or modified by a subsequent written agreement approved and executed by both Parties.
15. Applicable Law. This Agreement will be construed under and will be deemed to be governed by the laws of the United States and the State of California.

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16. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this Agreement among the Parties concerning the subject matter, and supersedes all prior negotiations, representations or agreement, either oral or written, that may be related to the subject matter of this Agreement.
17. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one and the same agreement. Each signing Party shall have received a copy of the signature page signed by every other Party.

Exhibits attached and incorporated herein:

- Exhibit A Board Resolution or other Board Authorization
- Exhibit B Form of Letter Regarding Future Contributions

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IN WITNESS WHEREOF, the Parties hereto, by their authorized representatives, have executed this Agreement on the date(s) set forth below.

Approved as to Legal Form
and Sufficiency

State of California
Department of Water Resources

Spencer Kenner, Chief Counsel

Karla A. Nemeth,
Director

Date

Date

Approved as to Legal Form
and Sufficiency

[____] **Water District**

Signature

Signature

Printed Name

Printed Name

Date

Title

Date

Exhibit A

Letter from DWR to Contractor

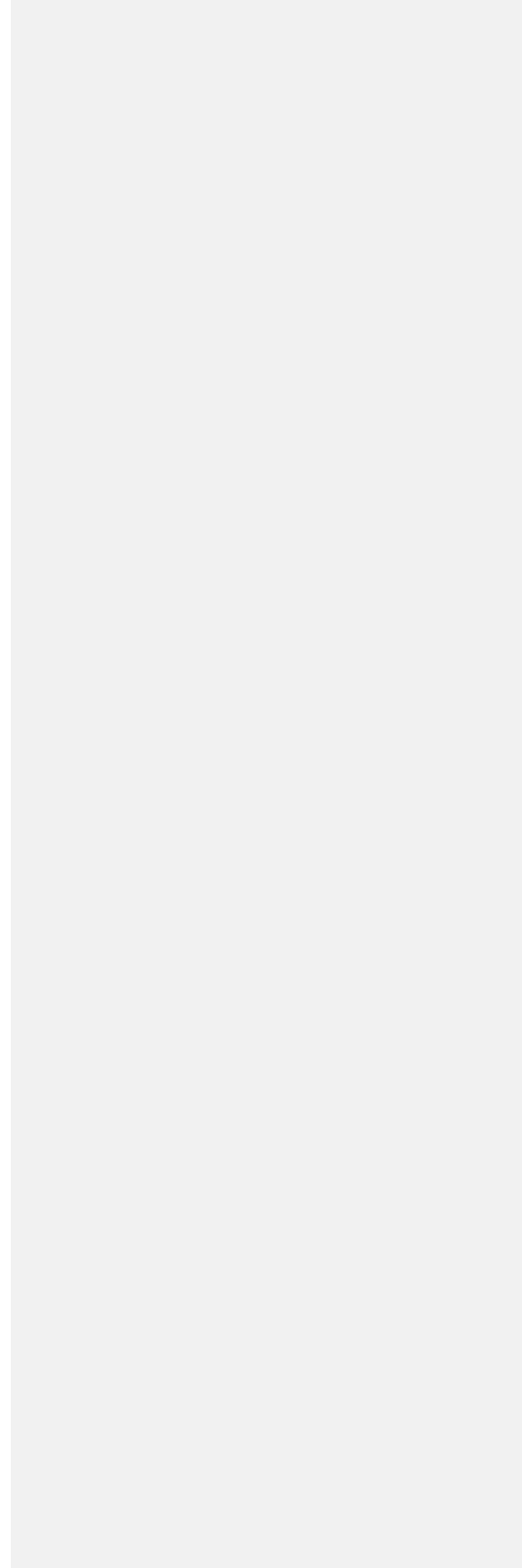


Exhibit B

Resolution of the Board of Directors of Contractor

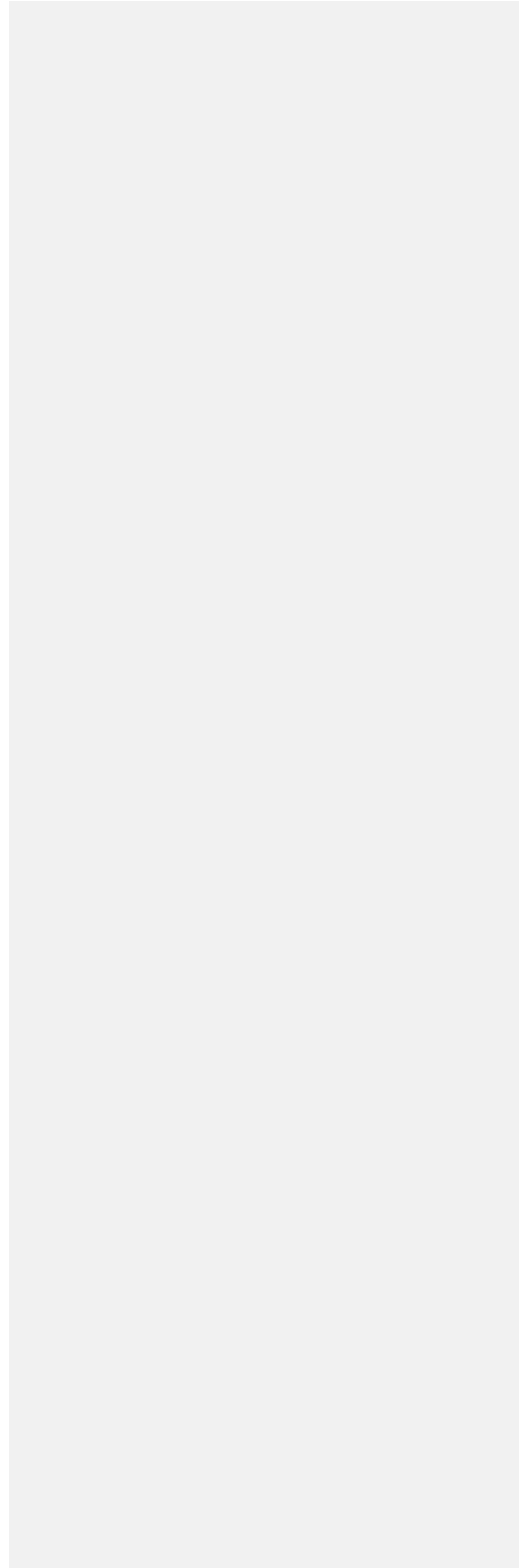


Exhibit C

Form of Contribution Letter

[date]
[address]

Re: Contribution or Advance of Money for Delta Conveyance Planning Activities

Dear Mr. Villalobos:

This letter is sent pursuant to section 5 of the Agreement for the Advance of Contribution of Money to the Department of Water Resources for Preliminary Planning and Design Costs Related to a Potential Delta conveyance Project dated _____, 2019 between Department of Water Resources and the [agency] (“Funding Agreement”).

On [date] the Board of Directors of [agency] approved the contribution or advance of \$[amount] to the Department for use in accordance with the terms of the Funding Agreement. A copy of the Board’s resolution is enclosed with this letter. The contribution or advance will be collected from [agency] in [a lump sum][equal monthly installments] by inclusion of a charge [on its Statement of Charges for [year]][on a revised Statement of Charges for [year] that Department will issue to [agency]]. The charge shall be referred to as the [year] Pay-go Charge. As provided by section 5 of the Agreement the contribution or advance described herein will be subject to the terms and conditions of the Agreement.

Please confirm your agreement to the foregoing by countersigning in the space provided below and returning an original copy of this letter agreement to [agency] at [address].

[signature blocks for agency and Department]

Enclosure(s)

cc: Anthony Meyers, Executive Director of Delta Conveyance Office

AGREEMENT IN PRINCIPLE
April 30, 2020

This Agreement in Principle has been developed from the State Water Contractor Public Water Agencies' offers presented from July 24, 2019 to present, Department of Water Resources' offers presented from July 31, 2019 to present, and information discussed and presented by the technical and legal work groups.

Agreement in Principle for the State Water Project Water Supply Contract Amendment
on a
Delta Conveyance Project

This Agreement in Principle (**AIP**) is by and between certain State Water Project Public Water Agencies (**PWAs**) and the State of California through the Department of Water Resources (**DWR**) for the purpose of amending the State Water Project Water Supply Contracts.

AIP Objective:

1. Develop an agreement between the State Water Project Contractor Public Water Agencies and Department of Water Resources to equitably allocate costs and benefits of a potential Delta Conveyance Facility that preserves operational flexibility such that the Department of Water Resources can manage the State Water Project to meet regulatory requirements, contractual responsibilities, and State Water Project purposes.

AIP Outline:

- I. Definitions
- II. Objective 1 - Availability of an option to opt out of costs and benefits of Delta Conveyance Facilities of the State Water Project
- III. Objective 2 - Availability of an option to assume, or partially assume, costs and benefits of Delta Conveyance Facilities of the State Water Project
- IV. Objective 3 - Pursuit of State Water Project Delta Conveyance Facilities under the State Water Project Water Supply Contracts
- V. Objective 4 - Delta Conveyance Facility billing
- VI. Objective 5 - Delta Conveyance Facility benefits allocation
- VII. Objective 6 - Affect upon other Water Supply Contract provisions
- VIII. Other Provisions
- IX. Environmental Review Process
- X. Authorized Representative Signatures

I. Definitions

- a. **Clifton Court Forebay** shall mean the existing State Water Project diversion at Clifton Court Forebay facility through its intake located on Old River in the southern Delta and the associated Skinner Fish Facility.
- b. **Delta** shall mean the Sacramento-San Joaquin Delta as defined in Section 12220 of the California Water Code on the date of approval of the Bond Act by the votes of the State of California.
- c. **Delta Conveyance Facility (DCF)** shall mean those facilities of the State Water Project consisting of a water diversion intake structure, or structures, located on the Sacramento River and connected by facilities to Banks Pumping Plant in the southern Delta with a single tunnel that will serve the water supply purposes of the State Water Project.
- d. **DCF Benefits** shall mean those water supply and capacity benefits attributable to the DCF including but not limited to: (1) Table A water supplies; (2) Article 21 water supplies; (3) carriage water savings; (4) reliable water supply and use of DCF available capacity in the event of a temporary or permanent physical, regulatory, or contractual disruption of southern Delta diversions; and (5) use of DCF available capacity to move non-project water through the proposed DCF.
- e. **Fair Compensation** shall include but is not limited to capital recovery, operations and maintenance, replacement, and variable charges associated with the use of the DCF capacity.
- f. **State Water Project (SWP)** shall mean the State Water Resources Development System as described in California Water Code section 12931.
- g. **State Water Project Contractor Public Water Agencies (PWAs)** shall include the 29 entities holding State Water Project Water Supply Contracts with the Department of Water Resources.

II. Objective 1 - Availability of an option to opt out of costs and DCF Benefits

- a. This AIP makes available to each PWA an option to opt out of the costs and benefits of the DCF through a contract amendment that establishes a Statement of Charges (SOC) percentage of DCF Benefits based on the percentages in the Delta Conveyance Allocation Factors table to water attributable to the DCF, as described in Section VI of this AIP.
- b. PWAs indicating an intent to opt out of costs and benefits of the DCF shall be described in Section VI(a) of this AIP.
- c. An option to opt out of DCF costs and benefits are limited such that a PWA must opt out of at least a minimum 100% of its Municipal and Industrial Table A or 100% of its Agricultural Table A. This provision doesn't prohibit a PWA from taking more than their Table A share, if available, in the Delta Facilities Allocation Factor table.

III. Objective 2 - Availability of an option to assume additional costs and benefits of the DCF

- a. This AIP makes available to each PWA an option to assume additional costs and benefits of the DCF through a contract amendment that establishes additional costs on the SOC in exchange for DCF Benefits based on the percentages in the Delta Conveyance Allocation Factors table to water attributable to the DCF, as described in Section VI of this AIP.
- b. PWAs indicating an intent to assume DCF costs and benefits shall be described in Section VI(b) of this AIP.

IV. Objective 3 - Pursuit of State Water Project Delta Conveyance Facilities under the State Water Project Water Supply Contracts

- a. The DCF shall be constructed and operated as an integrated component of the State Water Project, and DWR will continue to operate the State Water Project at its sole discretion.
- b. The DCF is an authorized component of the State Water Project pursuant to California Water Code sections 11100 et seq. and 12930 et seq.
- c. Effective Date: A contract amendment pursuant to this AIP shall have an effective date no sooner than the billing transition date set forth in State Water Project Water Supply Contract Amendment known as The Contract Extension Amendment.
- d. Administration of DCF: DWR will forecast and account for Project Water attributable to the DCF and DWR will determine whether or not that Project Water would not have been available at Clifton Court Forebay. A whitepaper describing the DWR's and the PWAs' current understanding of the approach on forecasting, administration, and accounting is contained in Attachment 1. Attachment 1 will not be incorporated into contract language.

V. Objective 4 - Delta Conveyance Facility billing

- a. These costs would be billed to and collected from SWP PWAs consistent with the Delta Facilities Allocation Factor table below through their annual SOC.
- b. Delta Conveyance Facilities Charge Components:** All capital and minimum operations, maintenance, power and replacement (OMP&R) costs associated with the DCF are 100% reimbursable and shall be recovered by DWR from PWAs through their annual SOCs consistent with the Delta Facilities Allocation Factor table. These costs shall be allocated to and billed under two new charges as follows:

(1) Delta Conveyance Facilities Capital Charge Component.

(2) Delta Conveyance Facilities Minimum OMP&R Component.

- c. Delta Conveyance Facilities Capital Charge Component Method of Computation**
1. This computation will recover actual annual debt service created by financing activities (Financing Method) for DCF.
 2. Each Financing Method shall provide an annual repayment schedule, which includes all Financing Costs.
 3. Financing Costs shall mean the following: Principal of and interest on Revenue Bonds, debt service coverage required by the applicable bond resolution or indenture in relation to such principal and interest, deposits to reserves required by the bond resolution or indenture in relation to such Revenue Bonds, and premiums for insurance or other security obtained in relation to such Revenue Bonds.
- d.** Financing Method shall be divided into four categories: DCF Capital Costs paid with the proceeds of Revenue Bonds; DCF Capital Costs paid with amounts in the State Water Resources Development System Reinvestment Account; DCF Capital Costs paid annually for assets that will have a short Economic Useful Life or the costs of which are not substantial, and DCF Capital Costs prepaid by the PWAs consistent with the Delta Facilities Allocation table.
- e.** DCF Capital Charge Component should be allocated to the PWAs in proportion to the Delta Conveyance Facilities Allocation Factors for each calendar year and consistent with the Delta Facilities Allocation Factor table.
- f. Delta Conveyance Facilities Minimum OMP&R Charge Component Method of Computation**
1. Recovery will be estimated and/or actual annual OMP&R costs determined for the DCF each year.
 2. DCF Minimum OMP&R Charge Component shall be allocated to the PWAs in proportion to the Delta Conveyance Facilities Allocation Factors for each calendar year.
- g. Delta Conveyance Facilities Energy Charges:** The DCF energy costs are 100% reimbursable by the PWAs and the methodology will be determined by DWR, reviewed in the SWRDS Finance Committee, and approved by the Director.

- h. **Redetermination:** These charges shall be subject to redetermination.
- i. **Step-up:** PWAs that execute a contract amendment to opt out will not be allocated any portion of a step-up required in the event of a default on a DCF Capital Charge.
- j. **Delta Conveyance Facilities Allocation Factors:** The following table is a preliminary allocation of DCF participation percentages. Only PWAs with a greater than 0 percentage would be billed for DCF Charge Components through their annual SOC, using the Delta Conveyance Facility Allocation Factors described in the table. PWAs with a zero allocation factor would not be billed for repayment of costs for construction, operation and maintenance of facilities associated with DCF, except to the extent there is a permanent transfer of Table A which would increase a PWA from a greater than zero allocation factor through a subsequent contract amendment.

Public Water Agency	Delta Conveyance Facilities Allocation Factors
City of Yuba City	0
County of Butte	0
Plumas County FC&WCD	0
Napa County FC&WCD	0
Solano County Water Agency	0
Alameda County FC&WCD, Zone 7	
Alameda County Water District	
Santa Clara Valley Water District	
Dudley Ridge Water District	
Empire-West Side Irrigation District	0
Kern County Water Agency-Total	
County of Kings	0
Oak Flat Water District	0
Tulare Lake Basin Water Storage District	0
San Luis Obispo County FC&WCD	
Santa Barbara County FC&WCD	0
Antelope Valley-East Kern Water Agency	
Santa Clarita Valley Water Agency	
Coachella Valley Water District	
Crestline-Lake Arrowhead Water Agency	
Desert Water Agency	
Littlerock Creek Irrigation District	0
Mojave Water Agency	
Palmdale Water District	

San Bernardino Valley Municipal Water District	
San Gabriel Valley Municipal Water District	
San Geronio Pass Water Agency	
The Metropolitan Water District of Southern California	
Ventura County Watershed Protection District	
Total	100.000%

VI. Objective 5 - Delta Conveyance Facility Benefits Allocation

- a. PWAs that execute a contract amendment to opt out of DCF costs and benefits will agree, within that amendment, to the following:
 - i. Charges as set forth in Section V of this AIP will not appear on its SOC.
 - ii. Forego and waive any contractual rights to the following:
 - a. Right to or delivery of Project Water attributable to the DCF, provided that DWR determines that such water would not have been available for diversion at Clifton Court Forebay. This AIP will not modify the amounts within Table A but will memorialize this limited reduction for DCF Benefits by adding a footnote to the PWA's Table A to reflect their zero allocation for DCF Benefits.
 - b. Any contractual rights to or delivery of Article 21 Interruptible Water prior to the point(s) in time each year DWR determines that a volume of water equal to the volume of current year Project Water for Table A in San Luis Reservoir attributable to DCF in the SWP share of San Luis Reservoir storage will be displaced or evacuated by a quantity of exports equal to the quantity of exports from Clifton Court Forebay that would have been stored in San Luis Reservoir absent the DCF. Provided that, when Article 21 Interruptible Water supply is greater than demand from PWAs with a greater than zero Delta Conveyance Facility Allocation factor, Article 21 Interruptible Water will be made available to all PWAs based on Table A percentage.
 - c. Any contractual rights to or delivery of Article 21 Interruptible Water attributable to the DCF after a volume of water equal to the volume of current year Project Water for Table A in San Luis Reservoir attributable to DCF has been evacuated or displaced by the exports from Clifton Court Forebay that would have been stored in San Luis Reservoir absent DCF. Provided that, when Article 21 Interruptible Water supply is greater than demand from PWAs with a greater than zero Delta

- Conveyance Facility Allocation Factor, Article 21 Interruptible Water will be made available to all PWAs based on Table A percentage.
- d. Right to use DCF conveyance capacity unused by DWR for SWP purposes to convey non-project water, except as provided in subsection h.
 - e. Right to use available DCF conveyance capacity to convey Project Water in the event that pumping directly from the south Delta is prevented or impaired by a physical, regulatory or contractual disruption, including but not limited to sea level rise, seismic events, flooding, or other uncontrollable event.
 - f. Right to carriage water savings that DWR determines are realized during its operation of any DCF for purposes of conveying Project Water.
 - g. Right to any credit from Fair Compensation collected by DWR for use of available DCF conveyance capacity.
 - h. Rights to use of the DCF, unless a subsequent contract with DWR is entered that provides for payment of Fair Compensation associated with such use.
- iii. For the North of Delta PWAs, DWR will not change the current administrative process for determining the availability of Article 21 due to the DCF. This process will be documented in the Article 21 administration that is distributed via a Notice to Contractors.
- b. PWAs that execute a contract amendment to assume costs and benefits of the DCF will agree, within that amendment, to the following:
 - i. Charges will appear on the SOC as set forth in the table in the percentages shown in Section V of this AIP.
 - ii. DCF Benefits in proportion to the percentage table in Section V of this AIP, including but not limited to:
 - a) Delivery of Table A amounts diverted at and conveyed through the DCF. This AIP will not modify the amounts within Table A but will memorialize this DCF Benefits by amending the PWA's Table A with a footnote. The footnote will recognize each PWA's DCF Benefits consistent with the Delta Conveyance Facilities Allocation Factors.
 - b) Article 21 Interruptible Water attributable to DCF.
 - c) Available DCF conveyance capacity unused by DWR for SWP purposes, to convey non-project water for ultimate use within that PWA's service area.
 - d) Carriage water savings that DWR determines are realized during its operation of any DCF for purposes of conveying Project Water.
 - e) Available DCF conveyance capacity to convey Project Water in the event that pumping in the south Delta is prevented or impaired by a physical, regulatory or contractual disruption, including but not limited to sea level rise, seismic events, flooding, or other uncontrollable event.

- f) A credit from Fair Compensation collected by DWR for use of available DCF conveyance capacity.
- c. Nothing in this AIP changes Article 18(a) in the existing State Water Project Water Supply Contracts.

VII. Objective 6 - Affect Upon Other Water Supply Contract Provisions

- a. Unless specifically stated in this AIP and incorporated into a subsequent contract amendment, there are no changes to the PWAs' rights and obligations under the existing State Water Project Water Supply Contracts.
- b. Transfers and exchanges are not intended to be modified under this AIP and shall be subject to the provisions of the then existing State Water Project Water Supply Contracts.

VIII. Other Provisions

- a. Clifton Court Forebay Diversion Priority: In the event that DWR uses its discretion to move Project Water through the DCF that could have been moved through Clifton Court Forebay Intake, PWAs with a greater than zero Delta Conveyance Facilities Allocation Factor will be given a first priority of available capacity, as determined by DWR, based on their percentage in section V to move up to that same amount of non-project water at Clifton Court Forebay Intake.

IX. Environmental Review Process

DWR and the PWAs agree that this AIP is intended to be used during the environmental review process for the California Environmental Quality Act (CEQA), to define the proposed project description for the purposes of CEQA, and to permit the next steps of the SWP water supply contract amendment process, including scoping and the preparation of the EIR. The AIP principles are not final contract language and do not represent a contractual commitment by either DWR or the PWAs to approve any proposed project or to sign contract amendments. By concurring with the AIP, DWR and the PWAs express their intent to move forward with the CEQA process with DWR as lead agency and the PWAs as responsible agencies, and ultimately develop a proposed project consisting of contractual amendments consistent with the AIP principles and prepare the EIR for consideration by DWR and the PWAs.

At the end of the CEQA process and in compliance with CEQA, DWR and the PWAs will each individually evaluate the EIR and Contract Amendment, exercise their independent judgment, and determine whether or not to certify the EIR, approve the proposed project and sign the contract amendment or to approve an alternative project. Consequently, even though DWR and the PWAs have agreed to the AIP

for the purposes described in the preceding paragraphs, DWR and each PWA retain their full discretion under CEQA to consider and adopt mitigation measures and alternatives, including the alternative of not going forward with the proposed project.