

**MINUTES** of the Special Meeting of the Board of Directors of Dudley Ridge Water District held on October 6, 2020 at 1:30 p.m. at the office of the District, 286 W. Cromwell Ave., Fresno, California.

**DIRECTORS PRESENT:** Kimberly Brown, President (via teleconference)  
Larry Ritchie, Vice President (via teleconference)  
Steve Jackson, Secretary (via teleconference)  
Bernard Puget (via teleconference)  
John Vidovich (via teleconference)

**DIRECTORS ABSENT:** None.

**OTHERS PRESENT:** Dale Melville, Manager-Engineer (via teleconference)  
Rick Besecker, Assessor-Collector-Treasurer (via teleconference)  
Joseph Hughes, Legal Counsel (via teleconference)  
Dan Flory, Provost & Pritchard (via teleconference)  
Mark Gilkey, Westside Water Authority (via teleconference)  
Kris Lawrence, Westside Water Authority (via teleconference)  
Mary King, Westside Water Authority (via teleconference)

President Brown called the Board meeting to order at 1:30 p.m.

### **MINUTES**

Director Puget made a motion to approve the minutes of the September 9, 2020 Regular Board Meeting. The motion was seconded by Director Jackson; after discussion, the Board voted to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Aye	Aye	Aye	Aye

### **WATER SUPPLY REPORTS**

Regarding the proposed multi-year transfer from Mojave Water Agency to the Westside Districts, the Manager reviewed the term sheet, attached to and made part of these minutes, noting that the next step was to engage a CEQA consultant. Director Vidovich motioned to authorize the Manager to execute the term sheet and authorize the President to approve up to \$100,000 to engage a CEQA consultant. The motion was seconded by Director Jackson; after discussion, the Board voted to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Aye	Aye	Aye	Aye

The Manager then reported that DWR was seeking concurrence with their CEQA Findings of Overriding Considerations for the Environmental Impact Report for the SWP Water Supply Amendments for Water Management. Director Vidovich motioned to concur with DWR's findings and authorize staff to prepare any required filings and notifications. The motion was seconded by Director Ritchie; after discussion, the Board voted to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Aye	Aye	Aye	Aye

### **APPOINTMENT OF GENERAL MANAGER**

The Manager reported on his recommendation that Mark Gilkey be appointed as General Manager for the District and that Mr. Melville be appointed as Assistant Manager-Engineer. Director Vidovich made a motion to make such appointments. The motion was seconded by Director Ritchie; after discussion, the Board voted to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Aye	Aye	Aye	Aye

**ADJOURNMENT**

Director Vidovich then made a motion to adjourn the meeting. The motion was seconded by Director Jackson; after discussion, the Board voted to approve the motion. Following the vote, President Brown announced that the Directors voted as follows:

Brown	Ritchie	Jackson	Vidovich	Puget
Aye	Aye	Aye	Aye	Aye

There being no further business to come before the Board, at 1:46 p.m. President Brown adjourned the meeting.

  
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 Steven D. Jackson, Secretary

APPROVED:

  
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 Kimberly M. Brown, President

## TERM SHEET FOR MULTI-YEAR WATER TRANSFER PROGRAM BETWEEN MOJAVE WATER AGENCY AND THE WESTSIDE DISTRICTS<sup>1</sup>

### 1. **Background:**

Mojave Water Agency (“Mojave”) and the Westside Districts (“Westside”) each have water supply contracts, directly or indirectly, with the California Department of Water Resources (“DWR”) for water from the State Water Project (“SWP”). Both Mojave and Westside desire to increase their flexibility for the use of their respective SWP Table ‘A’ (“Table A”) amounts. Mojave has a groundwater supply with the potential of meeting Mojave’s water demands for multiple years; however, in certain years Mojave receives a Table A allocation above its immediate needs and Mojave could better benefit from a water transfer that delivers a portion of its Table A water (“Transfer Water”) to others to provide an offset of a portion of its fixed costs for SWP Table A water. Westside is highly reliant on the SWP to provide water for its existing agricultural water demands. The five Westside Districts have each developed a portfolio of water transfer, exchange, and banking programs, but with the decreasing delivery capacity of the SWP, in almost every year the Westside needs additional water supplies to maintain landowner investments in existing irrigated acreage that was developed when the SWP delivered a larger and more reliable water supply.

The DWR and the SWP contractors are in the process of executing an amendment to the SWP Water Supply Contracts, which among other water management tools, allows SWP contractors to engage in multi-year water transfers.

Accordingly, Mojave and Westside propose to initiate a long-term Water Transfer Program (“Program”) for their mutual benefit and better water management of their SWP and other supplies.

### 2. **Determination of Transfer Water:**

- a. Term: Term of the Program shall be from the date all approvals have been obtained (assumed early 2020) through December 31, 2035.
- b. Quantity of Transfer Water: Mojave shall annually, by February 15 of each year, evaluate the quantity of water available for the Program and

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<sup>1</sup> The Westside Districts are comprised of Dudley Ridge Water District and four Member Units of the Kern County Water Agency (Belridge WSD, Berrinda Mesa WD, Lost Hills WD, and Wheeler Ridge-Maricopa WSD)

provide Westside the estimated quantity of Transfer Water available for the calendar year. On or before June 1, Mojave shall provide Westside updated Transfer Water quantities for the year. The minimum quantity of Transfer Water made available to Westside through December 31, 2025 shall be based on the May 1 SWP delivery allocation, as shown in the table below. Prior to December 31, 2025, Mojave may revise the Minimum Quantity for the remainder of the Program and Westside shall have the option to either accept the revised Minimum Quantities or terminate the Program.

<u>SWP Allocation</u>	<u>Minimum Quantity (acre-feet)</u>
60% to 100%	25,000
55%	30,000
45% to 50%	25,000
40%	20,000
35%	15,000

For any Transfer Water made available beyond the above minimum quantities, Mojave shall have complete discretion on what, if any, additional Transfer Water is made available under the Program. An existing agreement with the Metropolitan Water District of Southern California (“MWDSC”) shall have first priority over the minimum amounts above. The current obligation of water owed to MWDSC as of the end of 2019 is 18,812 acre-feet.

- c. Westside Obligation for Transfer Water: Westside shall be obligated to pay for the Minimum Quantity of Transfer Water made available by Mojave each year, whether or not Westside takes delivery of the Transfer Water. Transfer water not delivered will not be carried over for delivery from Mojave into another year.
- d. Confirmation and Scheduling of Transfer Water: Within 10 days after receipt of Mojave’s updated quantity of Transfer Water, it is the intent that Mojave and Westside finalize the quantity of Transfer Water and Mojave, in coordination with Dudley Ridge Water District (“Dudley”) and Kern County Water Agency (“KCWA”), shall notify DWR of the transfer and preliminary delivery schedule.
- e. Westside Allocation: Westside shall decide annually how the Transfer Water shall be prorated between them, but typically 14.34% would be allocated to Dudley and 85.66% to the four aforementioned KCWA Member Units.

**3. Conveyance to Westside:**

- a. Point of Delivery: Banks (Reach 1 of the California Aqueduct).
- b. Delivery Schedules: Mojave, in coordination with Westside, shall submit monthly water delivery schedules to DWR for delivery of the Transfer Water to Westside.

**4. Payments:**

- a. Westside shall be responsible for the DWR Variable charges for conveying the water from the Point of Delivery to Westside's service areas in Kings County (Dudley) and Kern County (KCWA).
- b. Within 45 days of finalizing the quantity of Transfer Water each year (refer to paragraph 2.d), Westside shall pay Mojave for all Transfer Water for 2021 in accordance with the following:

<u>SWP Allocation</u>	<u>Rate (/acre-foot)</u>
76% to 100%	\$150
56% to 75%	\$325
31% to 55%	\$550

The above Rate shall be negotiated every five (5) years, beginning in 2025; however, beginning in 2022 and continuing through 2025, the Rate shall increase annually by five percent (5%). The Rate for Transfer Water made available below a 31% SWP allocation shall be negotiated, if and when Mojave offers Transfer Water in such years.

**5. Approvals:**

- a. Mojave and Westside shall cooperate with each other in processing and obtaining DWR approvals associated with the Program.
- b. Mojave and Westside shall cooperate with each other and DWR in determining and completing any environmental reviews associated with the Program. To the extent required, Mojave and Westside shall share equally the costs for a consultant, if needed, to prepare environmental documents for the Program; Mojave shall act as Lead Agency.
- c. Mojave and Westside shall each be responsible for their own review and processing required agreements, environmental documents, and other transaction costs.

**6. Other Conditions:**

- a. To the extent a third party initiates a claim to challenge the Program or any aspect of the transaction, Mojave and Westside shall share equally in

- the costs associated with defending the claim, unless either party decides not to defend the claim.
- b. This Term Sheet is not intended to be binding on either Mojave or Westside. Neither party shall be bound until the SWP water management amendment is in effect, the required environmental review has been completed, and mutually acceptable documents have been developed and executed.
  - c. The respective obligations of each party shall be suspended while it is prevented from complying by acts of God, war, riots, civil insurrection, acts of civil or military authority, fires, floods, earthquakes, labor accidents or incidents, rules and regulations of any governmental agency (other than the Parties themselves), or other cause of the same or other character any of which are beyond the reasonable control of either party (collectively, "Force Majeure"). In the event of a suspension due to the Force Majeure, the party whose obligations are suspended shall promptly notify the other party in writing of such suspension and the cause and estimated duration of such suspension.

Terms acknowledged and agreed to by:

**Mojave Water Agency:**

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Kathryn A. Corner, General Manager

**Dudley Ridge Water District:**

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Mark A. Gilkey, General Manager

**Lost Hills Water District:**

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Phillip D. Nixon, General Manager

**Berrenda Mesa Water District:**

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Phillip D. Nixon, General Manager

**Belridge Water Storage District:**

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Phillip D. Nixon, General Manager

**Wheeler Ridge - Maricopa Water  
Storage District:**

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Sheridan Nicholas, Engineer-Manager

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