

**WATER BANKING AND EXCHANGE AGREEMENT  
BETWEEN  
ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT  
AND  
TULARE LAKE BASIN WATER STORAGE DISTRICT  
AND COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY**

This *Water Banking and Exchange Agreement* (“Agreement”) is made, entered into and effective as of September \_\_\_, 2023, by and between Rosedale-Rio Bravo Water Storage District, referred to herein as “Rosedale,” Tulare Lake Basin Water Storage District, referred to herein as the “TLBWSD”, and County Sanitation District No. 2 of Los Angeles County, referred to herein as “LACSD”. Rosedale, TLBWSD and LACSD may be individually referred to herein as a “Party” and collectively as the “Parties.”

**RECITALS**

- A. TLBWSD and Rosedale have existing rights and/or access to California Department of Water Resources’ (DWR) State Water Project (SWP) supplies, including Article 21 supplies, and LACSD has existing rights to certain SWP supplies as a landowner within TLBWSD;
- B. Currently, LACSD anticipates needing additional recharge capacity for its 2023-2024 SWP supplies to avoid possible loss of said water including possible spill of carry-over water from San Luis Reservoir. Rosedale anticipates having sufficient recharge capacity available in its own groundwater recharge and banking program to take LACSD’s SWP supplies;
- C. Rosedale and LACSD desire to enter into a 2:1 exchange program whereby for every 2 acre-feet of SWP water delivered to Rosedale in-district on LACSD’s behalf (“Recharge Water”), Rosedale shall bank and return 1 acre-foot of water (minus conveyance losses and losses pursuant to terms of the customary Memorandum of Understanding applicable to banking projects in the area) to TLBWSD on behalf of LACSD (“Return Water”) at the point of delivery designated hereunder;
- D. Rosedale and TLBWSD will enter into a point of delivery agreement with the Department of Water Resources (“DWR”) and the Kern County Water Agency (“KCWA”) to facilitate the delivery of water under this Agreement: and
- E. Rosedale and TLBWSD have determined that the water exchange provided for in this Agreement is exempt from the California Environmental Quality Act (“CEQA”) pursuant to California Public Resources Code Sections 21083 and 21084(a) and the California CEQA Guidelines, including but not limited to 14 Cal Code Regs Sections 15061(b)(3) and 15301.

Now, therefore, incorporating the foregoing recitals herein, the Parties do hereby agree as follows:

1. **Term:** The term of this Agreement shall be from October 1, 2023 through December 31, 2033. The delivery of Recharge Water to Rosedale shall be completed by September 30, 2024 (“Recharge Water Term”). Rosedale’s delivery of Return Water shall be completed by December 31, 2033 (“Termination Date”).

2. **Delivery of Recharge Water to Rosedale**

a. **Recharge Amount:** During the Recharge Water Term, and subject to Rosedale’s determination as to available capacity within Rosedale’s water management programs, Rosedale shall make efforts to take delivery of up to 10,000 acre-feet of Recharge Water as requested by the LACSD. Upon delivery of Recharge Water to Rosedale, Rosedale shall recharge such water in its groundwater banking program and credit to LACSD an amount of water equal to 1 acre-foot of Return Water for every 2 acre-feet of Recharge Water delivered to the point of delivery pursuant to this Agreement; LACSD shall be responsible for all applicable losses pursuant to terms of the customary Memorandum of Understanding applicable to banking projects in the area, which for the program described in this Agreement are estimated to be 15% (with Return Water minus losses being referred to as the “Final Return Amount”). By way of example, if 1,000 acre-feet of Recharge Water is delivered to Rosedale, Rosedale shall be responsible for banking and returning 425 acre-feet of Return Water to LACSD. Notwithstanding any other provision of this Agreement, any delivery of Recharge Water to Rosedale or any recovery and return of Return Water by Rosedale hereunder shall not, in Rosedale’s sole discretion, impair or impact Rosedale’s current or future water management programs and commitments, or reduce the water supply benefits available to Rosedale from its current or future water management programs or commitments; all such programs and commitments may, in Rosedale’s sole discretion, take temporary precedence over any deliveries made hereunder. Rosedale will make best efforts to meet LACSD return water requests, provided that capacity is available. If Rosedale is unable to make Return Water delivery as requested, Rosedale must provide a 14-day notice (notice of non-delivery) to LACSD and TLBWSD prior to the requested delivery. If requested deliveries cannot be made, within 7 days of notice of non-delivery, Rosedale must explain what commitments prevented them from making the returns as requested and provide a detailed plan and schedule for when the return water delivery request will be executed.

b. **Recharge Point of Delivery:** The point of delivery for Recharge Water (“Recharge POD”) delivered to Rosedale shall be the Tupman Turnout of the California Aqueduct in Reach 12E. Rosedale shall subsequently convey the Recharge Water within the Cross Valley Canal (“CVC”) to a designated Rosedale turnout off the CVC, likely to be the Rosedale Central Intake Turnout in Pool 3 of the CVC. LACSD is responsible for the Recharge Water (including all losses) until it reaches the Recharge POD.

c. **Scheduling:** Upon execution of this Agreement, LACSD shall promptly submit to Rosedale and TLBWSD an estimated schedule identifying the rates and quantities of

Recharge Water it desires to have delivered during the Recharge Water Term. LACSD shall be responsible for submitting schedules (and updates as necessary) to Rosedale and TLBWSD for Recharge Water to be conveyed to Rosedale under this Agreement; Rosedale shall be responsible for submitting such schedules to the KCWA as required.

### 3. Delivery of Return Water

a. **Return Water Amount:** Rosedale shall return an amount of Return Water in the future equal to the Final Return Amount, which shall be determined by the Parties on or before August 31, 2024. Recovery of Return Water by Rosedale hereunder shall be limited to 2,500 acre-feet maximum on a calendar-year basis. In the event that Rosedale has the ability to return more than 2,500 acre-feet of Return Water in a calendar-year, Rosedale shall notify LACSD and TLBWSD in writing of its ability and agreement to meet a modified return amount if LACSD desires.

b. **Return Point of Delivery:** The point of delivery for Return Water (“Return POD”) shall be the Tupman Turnout of the California Aqueduct in Reach 12E, or at any other point of delivery available to Rosedale or TLBWSD as may be agreed to by the Parties.

c. **Scheduling:** LACSD shall make a request for Return Water no later than April 1 of the year in which it desires that Rosedale return water. Within 30 days of receipt of a request for Return Water, Rosedale shall advise LACSD and TLBWSD whether Rosedale has sufficient capacity within its water management programs available to meet the request.

d. In the event Rosedale is unable to recover and deliver the Final Return Amount by the Termination Date, LACSD at its option and in its sole discretion may elect one of the following by written notice to Rosedale:

- i. Extend the term for delivery of Return Water an additional five (5) years; or
- ii. Require Rosedale to purchase the balance of Return Water not delivered by reimbursing LACSD its actual cost for each acre foot of undelivered Return Water based on actual SWP rate paid for water delivered to the Recharge POD in 2023 or 2024 (Delta water charge and OMP&R).

### 4. Costs:

a. **LACSD Costs:** LACSD shall be responsible for the following costs:

- 1) All costs to acquire Recharge Water, if any.
- 2) All transportation costs incurred for conveying Recharge Water to the Recharge POD, including actual energy costs associated with conveying the water within the CVC from the Recharge POD, actual power costs associated with Rosedale conveying the water to recharge facilities (if any), and any CVC excess wheeling costs. Estimated CVC power charge is \$6 per acre foot per CVC pumping plant, with an estimated three CVC pumping plants required to convey water to the

Rosedale CVC turnout specified in Section 2.b. If additional CVC pumping plants are required, Rosedale shall confirm that LACSD desires to make such water deliveries and incur additional costs.

- 3) Any excess wheeling charges invoiced to Rosedale by the KCWA for conveyance of Recharge Water or Return Water in the CVC above that which is allocated to Rosedale. Such reimbursement shall be based upon actual charges, if incurred. Rosedale shall confirm that LACSD consents to incur such additional costs prior to making deliveries which result in excess wheeling charges.
- 4) Groundwater extraction well power costs, estimated to be approximately \$125 per acre-foot, for any quantity of water equivalent to amount of Return Water delivered to the Return POD. Rosedale may, at its sole option, provide LACSD with surface water at the Return POD that it has acquired from other sources in exchange for a like amount of LACSD's stored water in the Basin; provided that such exchange water and can be provided at the flow rate and quantity of return water otherwise requested by LACSD. For each AF so exchanged, LACSD shall pay the estimated power costs that would have been incurred if such water had been recovered from the Basin.
- 5) All KCWA transaction fees and any costs associated with any other permits and/or approvals required to implement this Agreement.

b. **Rosedale and TLBWSD Costs:** The program described in this Agreement shall be at no cost to Rosedale or TLBWSD, excepting only the cost of administering this program (e.g., staff costs for recharge and accounting of water supplies, coordinating with DWR/Agency, etc.).

c. **Other Costs:** This Agreement identifies the total anticipated costs of the exchange. Absent express written consent, no party shall be required to pay any costs other than those identified herein.

## 5. **Miscellaneous Provisions:**

a. **Approvals:** The Parties recognize that the delivery of water under this Agreement is subject to the approval of various agencies and the Parties shall cooperate to secure any and all necessary approvals for implementation of this Agreement. Notwithstanding the foregoing, Rosedale and TLBWSD shall each be solely and absolutely responsible for any CEQA compliance, including, if applicable, attorneys fees and costs for any CEQA litigation that is required to effectuate their respective participation in the transactions contemplated by this Agreement.

b. **Further Performance:** The Parties shall cooperate with, and assist one another, in obtaining any approvals which are necessary to affect the exchange contemplated by this Agreement; in the event the Parties cannot timely obtain the necessary approvals, this Agreement shall become null and void and the Parties shall have no further obligations hereunder. In addition, each Party agrees to perform any further acts and to execute and deliver any documents which may be reasonably necessary to carry out the provisions of this Agreement.

c. **Indemnification:** Rosedale agrees to indemnify, defend and hold TLBWSD and LACSD free and harmless from all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries and deficiencies, including interest penalties, attorney's fees and costs, that TLBWSD or LACSD may incur in conjunction with approvals discussed in Section 5a above or as a result of Rosedale's delivery and recharge of Recharge Water past the Recharge POD.

LACSD agrees to indemnify, defend and hold Rosedale and TLBWSD free and harmless from all claims, demands, losses, costs, expenses, obligations, liabilities, damages, recoveries and deficiencies, including interest, penalties, attorney's fees (with counsel selected by Rosedale) and costs, that Rosedale or TLBWSD may incur as a result from the delivery of the Recharge water to the Recharge POD or the delivery or use of Return Water beyond the Return Water POD.

d. **Amendments:** This Agreement may be supplemented, amended or modified only if documented in writing and signed by all Parties.

e. **Consultation with Council:** The Parties hereto hereby represent and warrant to each other that each of them has had the full opportunity of consulting with counsel of their own choosing in connection with the preparation of this Agreement, that each of them has read and understood the provisions of this Agreement and is fully aware of the contents and legal effects thereof. Each and every provision of this Agreement has been independently, separately and freely negotiated by the Parties as if this Agreement were drafted by all the Parties. The Parties, therefore, waive any statutory or common law presumption which would serve to have this Agreement construed in favor of, or against, any Party.

f. **Integration:** This Agreement represents the entire understanding of the Parties as to those matters contained herein. With the limited and specific exception of the Hold Harmless agreement between TLBWSD and LACSD dated July 19, 2023 (LACSD C#5551), no prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder.

g. **Due Authority:** Each person signing this Agreement represents that he/she has full power and authority to do so, and that his/her signature is legally sufficient to bind the Party for which he/she is signing.

h. **LACSD's Delegation of Authority:** LACSD hereby delegates to its Chief Engineer and General Manager (the "Chief Engineer"), or his/her designee, authority to act on behalf of LACSD in carrying out the terms of this Agreement, including authority to execute any related agreements or consents to fulfill the terms and conditions of this Agreement and authority to execute any minor amendments to this Agreement.

In witness whereof, the parties hereto have caused this Agreement to be executed the day and year first above written.

**Rosedale-Rio Bravo Water Storage District**

By: \_\_\_\_\_  
Trent Taylor, Water Resources Manager

**Tulare Lake Basin Water Storage District**

By: \_\_\_\_\_  
Jacob Westra, General Manager

**County Sanitation District No. 2  
of Los Angeles County**

By: \_\_\_\_\_  
Chairperson, Board of Directors

**Attest:**

\_\_\_\_\_  
Secretary to the Board

**Approved as to Form:**

Lewis Brisbois Bisgaard & Smith, LLP

By: \_\_\_\_\_  
LACSD Counsel