

FIRST AMENDMENT TO AGREEMENT FOR BRINE DISPOSAL

This First Amendment to Agreement for Brine Disposal (“**First Amendment**”) is dated _____, 2024 (the “**Effective Date**”) and is between **COUNTY SANITATION DISTRICT NO. 2 OF LOS ANGELES COUNTY**, a county sanitation district organized and existing pursuant to the County Sanitation District Act, California Health and Safety Code Section 4700, *et seq.* (the “**District**”) and **WEST BASIN MUNICIPAL WATER DISTRICT**, a municipal water district formed and operating pursuant to the Municipal Water District Act of 1911, Division 20 of the Water Code, Sections 71000, *et seq.* (“**West Basin**”). The District and West Basin are referred to individually in this First Amendment as a “Party” and collectively as the “Parties.”

RECITALS

- A. On November 10, 1999, the Parties entered into the Agreement for Brine Disposal (the “**Agreement**”) permitting West Basin to construct and connect a 14-inch diameter pipeline to the surge tower of the District’s A.K. Warren Water Resource Facility (“**Warren Facility**”), formerly known as the Joint Water Pollution Control Plant, in order to discharge brine, also known as concentrate, from West Basin’s Juanita Millender-McDonald Carson Regional Water Recycling Plant (“**Carson WRP**”), formerly known as the Carson Regional Water Recycling Plant. The term of the Agreement expires on November 10, 2024.
- B. In 1998, West Basin completed construction and connected its 14-inch diameter concentrate disposal pipeline to the surge tower of the Warren Facility’s effluent discharge tunnels and has been discharging concentrate produced at its Carson WRP to the Pacific Ocean through the Warren Facility’s ocean outfalls in accordance with the Agreement and its NPDES discharge permit from the CRWQCB.
- C. Since the execution of the Agreement the District and the Metropolitan Water District of Southern California (“**Metropolitan**”) have entered a partnership to develop the Pure Water Southern California project (the “**Pure Water Project**”), whose goal is to treat effluent from the Warren Facility to produce up to 150 MGD of purified water for the purposes of groundwater replenishment and raw water augmentation. Operation of the Pure Water Project is anticipated to begin within the term of the Agreement, as amended by this First Amendment, and will result in the discharge of up to 27 MGD of concentrate to the Warren Facility’s ocean outfalls. Both West Basin and the District desire to maintain the ability to discharge concentrates to these ocean outfalls under each Party’s respective NPDES permit.
- D. The purpose of this First Amendment is to: 1) Extend the term of the Agreement by ten years to allow West Basin’s Carson WRP to continue to discharge concentrate to the Warren Facility’s surge tower and ocean outfall via its existing 14-inch diameter concentrate discharge pipeline; 2) Modify conditions of the District’s acceptance of West Basin’s concentrate in consideration of future operation of the Pure Water Project; and 3) Establish a proportional maintenance fee to be paid by West Basin that reflects its fair share contribution of the District’s costs for concentrate disposal.

The District and West Basin therefore amend the Agreement as follows:

1. In this First Amendment, the term “Warren Facility” has the same meaning as the terms “Joint Water Pollution Control Plant” or “JWPCP” as those same are used in the Agreement; the term “Carson WRP” has the same meaning as the terms “Carson Regional Water Recycling Plant” or “Carson Recycling Plant” as those same are used in Agreement; and the term “concentrate” has the same meaning as the term “brine” as used in the Agreement. All other capitalized terms used in this First Amendment have

the same meaning as in the Agreement, unless otherwise specifically defined below.

2. Section 2.1 of the Agreement is hereby deleted and replaced in its entirety with the following:

“2.1 West Basin’s ability to discharge concentrate to the Warren Facility’s surge tower pursuant to this Agreement is contingent upon the prior written approval of the CRWQCB, and subject to all the conditions thereof, including limitations as to quantity and quality. Additionally, West Basin’s concentrate discharge from the Carson WRP to the Warren Facility’s surge tower shall be limited to no more than 1.2 MGD.”

3. Section 2.2 of the Agreement is hereby deleted and replaced in its entirety with the following:

“2.2 West Basin agrees to purchase any purified recycled water it requires for use within Carson WRP’s service area beyond 5 MGD from the Pure Water Project once that same is operational. West Basin shall pay Metropolitan for the purchase of such recycled water at the rate established by Metropolitan.”

4. Section 5.1 of the Agreement is hereby deleted and replaced in its entirety with the following:

“5.1 West Basin agrees to pay the District a fee of \$35,000 per calendar year based on a pro rata share of construction and maintenance costs for the Warren Facility’s outfall tunnels and ocean outfalls (the “**Proportional Maintenance Fee**”). West Basin shall pay the Proportional Maintenance Fee within thirty (30) days of the beginning of each fiscal year, starting July 1, 2025. The Proportional Maintenance Fee shall increase by 3% per year, starting July 1, 2026. Should West Basin enter into an agreement with Metropolitan to purchase purified recycled water from the Pure Water Project in an amount equal to or greater than Carson WRP’s concentrate discharge flow rate to the Warren Facility, the Proportional Maintenance Fee will be waived by the District.”

5. Sections 5.2, 5.3, 5.4, and 5.8 of the Agreement are hereby deleted in their entirety and are of no further force or effect.

6. Section 6.2 of the Agreement is hereby deleted and replaced in its entirety with the following:

“6.2 West Basin shall provide the name, mobile number, landline, and email address of Carson WRP’s emergency contact within 30 calendar days of the Effective Date, and notify the District in writing of any change to the emergency contact within 14 calendar days. The District reserves the right to notify West Basin to immediately cease discharge of concentrate to the Warren Facility under any of the following conditions: 1) the concentrate does not meet all NPDES or other regulatory requirements, 2) the concentrate discharge is in, or contributes to, violation of any NPDES or other regulatory requirements for the Warren Facility, 3) the District receives a notice to cease discharge from a regulatory authority, 4) the District determines, in its sole and absolute discretion, that West Basin’s concentrate discharge is affecting or will affect operation and maintenance of the Warren Facility or the Pure Water Project, 5) the District determines, in its sole and absolute discretion, that there is a lack of capacity in the District’s disposal facilities or regulatory restrictions on concentrate discharge, 6) the District determines, in its sole and absolute discretion, concentrate discharge from West Basin must cease during certain emergency or non-emergency storm flow, operation, maintenance or regulatory conditions, and 7) breach of any provision of the Agreement, as amended by the First Amendment. Once West Basin has cured the condition that resulted in the District notifying West Basin to cease concentrate discharge, West Basin may appeal to the District in writing to restart concentrate discharge

to the Warren Facility. West Basin's appeal shall include all the necessary information demonstrating that the condition that resulted in the District requiring the ceasing of discharge has been resolved."

7. New Section 7.5 is hereby added to the Agreement as follows:

"7.5 West Basin and the District will cooperate as needed to maintain or obtain regulatory approval for ocean discharge of each Party's concentrates. Cooperation may consist of, but not be limited to, evaluation of blended flows and water quality monitoring. Each Party shall be responsible for its own costs as it pertains to the cooperation described above."

8. Section 9.1 of the Agreement is hereby deleted and replaced in its entirety with the following:

"9.1 The term of this Agreement commences on November 10, 1999, and expires on December 31, 2034. However, this Agreement may be terminated at any time by mutual agreement of the Parties hereto, or by the District in its sole and absolute discretion upon West Basin's breach of any term of this Agreement and failure by West Basin to cure such breach within 30 days of notification by the District to West Basin."

9. Reaffirmation. West Basin hereby reaffirms that the Agreement is and shall continue in full force and effect and is enforceable against West Basin in accordance with its terms. West Basin represents for the benefit of the District that (a) the Agreement and this First Amendment constitute the entire agreement between the District and West Basin, (b) the Agreement has not been modified, changed, altered or amended in any respect (except only by this First Amendment), and (c) there exists no breach or default, nor state of facts, nor condition which with notice, the passage of time, or both, would result in a breach or default on the part of either the District or West Basin under the Agreement.
10. Conflict. If there is any conflict or inconsistency between this First Amendment and the Agreement, the First Amendment prevails.
11. Counsel; Drafting. The Parties represent and warrant to one another that each of them has had the full opportunity of consulting counsel of their own choosing in connection with the preparation of this First Amendment, that each of them has read and understood the provisions of this First Amendment and is fully aware of the contents and legal effect thereof. Each and every provision of this First Amendment has been independently, separately and freely negotiated by the Parties as if this First Amendment were drafted by all Parties hereto. The Parties, therefore, waive any statutory or common law presumption which would serve to have this First Amendment construed in favor of, or against, any Party.
12. Severability. In case any one or more of the provisions contained in this First Amendment or the Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect by a court, arbitrator or administrative agency having jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this First Amendment and the Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
13. Delegation to Chief Engineer. The District's Chief Engineer and General Manager, or his/her designee, is authorized to take all actions on behalf of the District in connection with (a) any approvals, consents, or actions required of or by the District under this Agreement or (b) any minor amendments to this Agreement.
14. Miscellaneous. Except as stated above, all other terms and conditions of the Agreement remain in full force and effect. The recitals set forth above are incorporated in this First Amendment by reference. Each individual signing this First Amendment warrants and represents that he or she has the full

authority to execute this First Amendment on behalf of the party on whose behalf he or she so signs, and that he or she is acting within the scope of such authority.

[Signatures on Following Page]

The Parties are signing this First Amendment as of the Effective Date.

**WEST BASIN MUNICIPAL WATER
DISTRICT**

**COUNTY SANITATION DISTRICT NO. 2
OF LOS ANGELES COUNTY**

By: _____
President, Board of Directors

By: _____
Chairperson, Board of Directors

ATTEST:

ATTEST:

By: _____
Secretary to the Board

By: _____
Secretary to the Board

APPROVED AS TO FORM:

APPROVED AS TO FORM:

LEWIS BRISBOIS BISGAARD & SMITH, LLP

By: _____
West Basin Counsel

By: _____
District Counsel