



TULARE LAKE BASIN WATER STORAGE DISTRICT

ESTABLISHED SEPTEMBER 1926

1001 CHASE AVENUE, CORCORAN, CALIFORNIA 93212
PHONE (559) 992-4127 • FAX (559) 992-3891

October 12, 2022

Landowners of the Tulare Lake Basin Water Storage District

Re: **2023-2027 State Water Service Contract**

Dear Landowner:

Enclosed for your consideration is the 2023-2027 State Water Service Contract (Contract).

The Contract includes:

1. Exhibit A,
2. Exhibit B,
3. Three Signature Pages (Page 5 of the Contract), and
4. Landowner Requested Participation Sheet.

If you desire to participate in State Project Water for the 2023-2027 period, please sign the three (3) enclosed Signature Pages as the Landowner and return all of them to the District. The District will return one fully signed copy to attach to your copy of the Contract.

With reference to the Landowner Participation Sheet, please check the appropriate line(s). Please also indicate the name of your authorized Agent, if applicable. All correspondence and billings will be forwarded to your Agent unless otherwise directed. Please sign and date the Participation Sheet and return it to our office.

If you do not desire to participate in the State Project Water, please note on the appropriate line of the Landowner Participation Sheet, sign and return it to our office.

We ask that the Signature Pages and the Landowner Requested Participation Sheet be returned to the District **no later than October 31, 2022.**

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Landowners of the Tulare Lake Basin WSD
October 12, 2022
Page 2

Based on the final allocation of State Water Project Table A to the participating Landowners during the period of the Contract, a revised Exhibit B indicating each Landowner's Maximum Annual Table A Water, will be subsequently forwarded to the participating Landowner.

Please contact our office if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Jacob Westra', with a long horizontal flourish extending to the right.

Jacob Westra
General Manager

Enclosures

STATE WATER SERVICE CONTRACT

BETWEEN

TULARE LAKE BASIN WATER STORAGE DISTRICT

AND

COUNTY SANITATION DISTRICT #2

FOR AGRICULTURAL WATER SERVICE

FOR THE PERIOD

JANUARY 1, 2023 THROUGH DECEMBER 31, 2027

RECORDING REQUESTED BY:

TULARE LAKE BASIN WATER
STORAGE DISTRICT

RECORDED FOR THE BENEFIT OF:

TULARE LAKE BASIN WATER
STORAGE DISTRICT

WHEN RECORDED MAIL TO:

TULARE LAKE BASIN WATER
STORAGE DISTRICT
1001 CHASE AVE.
CORCORAN, CA 93212

2023 THROUGH 2027

STATE WATER SERVICE CONTRACT

This contract, hereinafter referred to as "Water Service Contract," made and entered into on the effective date hereof, in pursuance of powers granted by Division 14 of the Water Code of the State of California, by and between TULARE LAKE BASIN WATER STORAGE DISTRICT, hereinafter referred to as "District," a California Water Storage District organized and existing under provisions of said Division 14 of the California Water Code and COUNTY SANITATION DISTRICT #2, hereinafter referred to as "Landowner" (collectively referred to as "Parties").

EXPLANATORY RECITALS

WHEREAS, District has duly, regularly, and according to law, entered into a contract with the State of California, Department of Water Resources, for a water supply, which contract is originally dated December 20, 1963 and has been amended from time to time ("State Contract");

WHEREAS, District and Landowner entered into a prior Water Service Contract which will terminate on December 31, 2022 and the Parties now desire to enter into a new five-year term Water Service Contract; and

WHEREAS, the District has approved Rules and Regulations to administer, amongst other things, this Water Service Contract. The Rules and Regulations are attached hereto as Exhibit A and incorporated herein by reference ("Rules and Regulations").

NOW, THEREFORE, IT IS MUTUALLY AGREED BY AND BETWEEN THE PARTIES TO THIS WATER SERVICE CONTRACT AS FOLLOWS:

AGREEMENT

1. Recitals

The recitals are incorporated by reference as set forth fully herein.

2. Definitions

All capitalized terms are defined in the District's Rules and Regulations.

3. Landowner

Landowner is the owner of certain parcels of land more particularly described in Exhibit B, attached hereto and incorporated by reference.

4. Contract Water Service

Subject to the provisions of this Water Service Contract, the District's Rules and Regulations, and all other legal requirements, District agrees to furnish Contract Water Service to Landowner in each year, at Turnout(s), the respective Contract Amount of Water, subject to the availability of Project Water. The provisions for payment for Contract Water Service shall be effective, regardless of whether or not Landowner takes delivery of the Contract Amount of Water, unless otherwise provided herein.

5. Conditions for Delivery of Water

District shall deliver water to Turnouts through Project Facilities in accordance with the Rules and Regulations.

Upon expiration of this Water Service Contract, any water or any dollar credits shall remain, to the extent permitted under the terms of the State Contract and as may be allowed by the State, credited to the account of Landowner and shall be delivered or the dollars credited to the Landowner. Landowner shall remain obligated for any and all charges due under this Water Service Contract. The District may offset and utilize any water or any dollar credits, including monies in the Trust Fund Account, to pay any and all outstanding charges due under this Water Service Contract.

Landowner hereby agrees District and/or its employees shall have full authority to stop all water deliveries to Landowner when the amount of water ordered and available pursuant to this Water Service Contract has been delivered or in the event the Landowner is in breach or default of this Water Service Contract.

Landowner does hereby agree to indemnify and shall assume the defense of and hold harmless District, and its officers, agents, and employees from any and all loss, damage liability, claims, or causes of action of every nature whatsoever, for damage to or destruction of property, including District property, or for injury to or death of persons, in any manner arising out of or incidental to the control, carriage, handling, disposal, or distribution of water outside such Project Facilities.

6. Payments and Procedures for District Billings for Contract Water Service

Landowner shall comply with the Rules and Regulations regarding payments and procedures for District Billings for water delivered pursuant to this Agreement.

7. Water Transfers/Exchanges

Water transfers and exchanges to, from or within the District shall be governed under the District's Rules and Regulations, which may be amended from time to time.

8. Notice

Notice shall be given electronically or by mail to the last address provided to District by Landowner, which may be changed from time to time upon written request. Notice to District shall be by mail or personal delivery to the District office at 1001 Chase Avenue, Corcoran, California 93212.

9. Term of Contract

This Water Service Contract shall be effective on January 1, 2023 and shall remain in effect for a period of five Years, terminating December 31, 2027.

10. Contract Amendments or Modifications

This Water Service Contract may be amended or terminated upon mutual written consent of the Parties.

11. Rights of Landowners Regarding Allocation of Project Water

Upon termination of this Water Service Contract, any landowner shall have the right to contract with the District for his share of Project Water on the same terms and conditions as the other landowners, except for those landowners who have severed their right to contract with the District for Project Water.

12. Contract Assignment, Sale, or Transfer

Except as provided herein, this Water Service Contract may not be assigned, sold, or transferred for use outside the District. This Water Service Contract shall be binding upon the successors of the Landowners, including the benefits and burdens of this and prior

years' Water Service Contracts.

Notwithstanding anything herein to the contrary, the conditions upon which long-term or permanent transfers of Table A water are allowed hereunder, shall be subject to the District's Rules and Regulations, as may be amended.

The Landowner may designate an Agent for the management and use of the Contract Amount of Water, provided the Landowner shall remain responsible under this Water Service Contract. The Agent may change at any time as stated in the Rules and Regulations.

13. Relationship to State Contract

This Water Service Contract is made subject to any and all requirements imposed upon District or Landowner by the terms of the State Contract, and any amendments thereto, and nothing in this Water Service Contract shall be deemed to require District or Landowner to perform any obligation in conflict with the State Contract. The State Contract is hereby incorporated herein by this reference in all respects as though set forth in full at this point, and any amendments thereto.

14. General

Any waiver or claim of waiver at any time by either party to this Water Service Contract of its rights with respect to default, or any other matter arising in connection with this Water Service Contract, shall not be deemed to be a waiver with respect to any subsequent default or matter.

Nothing contained in this Water Service Contract shall be construed as in any manner abridging, limiting, or depriving District or Landowner of any means of enforcing any remedy, either at law or in equity, for the breach of any of the provisions hereof which it would otherwise have.

Where the terms of this Water Service Contract provide for action to be based upon the opinion or determination of either party to this Water Service Contract, whether or not stated to be conclusive, said terms shall not be construed as permitting such action to be predicated upon arbitrary, capricious, or unreasonable opinions or determinations.

Headings accompanying sections of this Water Service Contract are for convenience of reference and do not form a part of this Water Service Contract.

Water Service Contracts executed by District for agricultural water service shall be uniform with respect to basic terms and conditions.

It is agreed by the parties that time is of the essence in Water Service Contract.

Nothing herein contained shall be deemed to require the performance of any act which

shall constitute the modification or abandonment of Project Facilities, nor be deemed to prevent the exercise of any powers contained in the California Water Storage District Law regarding the modification or abandonment of the Project Facilities.

In the event it becomes necessary that either party hereto must file a suit to enforce any of the terms or conditions herein, or to secure damages for breach of any of the provisions hereof, the prevailing party in such litigation shall be entitled to recover reasonable attorney's fees from the other.

This Water Service Contract shall be governed by the laws of the State of California. A party may file a dispute arising from this Water Service Contract in the Superior Court of any of the following counties: Kings or Tulare.

TULARE LAKE BASIN WATER STORAGE DISTRICT

By: _____ Date: _____
President

By: _____ Date: _____
Secretary

LANDOWNER:
COUNTY SANITATION DISTRICT #2

By: _____ Date: _____

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TULARE LAKE BASIN WATER STORAGE DISTRICT

By: _____ Date: _____
President

By: _____ Date: _____
Secretary

LANDOWNER:
COUNTY SANITATION DISTRICT #2

By: _____ Date: _____

FIFTEENTH AMENDED
RULES AND REGULATIONS OF THE
TULARE LAKE BASIN WATER STORAGE DISTRICT
ADOPTED OCTOBER 11, 2022

Pursuant to the requirements of Section 43003, Article 1, Chapter 1, Division 14, Water Code of the State of California, the Board of Directors of the Tulare Lake Basin Water Storage District hereby adopts these Rules and Regulations. These Fifteenth Amended Rules & Regulations supersede all previously Adopted Rules and Regulations.

Table of Contents

I.	DEFINITIONS	4
II.	GENERAL PROVISIONS.....	7
1.	Interlake Agreement	7
2.	Project Facilities	7
(a)	Management of Project Facilities	7
(b)	Temporary Discontinuance	7
(c)	Kern River Agreement and County of Kings	7
(d)	Encroachment of Project Facilities.....	8
(e)	Wheeling Water Charge.....	8
3.	Delivery of Water	9
4.	Representatives	9
5.	Assessments, Fees, and Other Charges.....	9
6.	Water Delivery or Operations Grievances	9
7.	Responsibility for Damage to District Property	10
8.	Limitations of District Responsibility	10
9.	Changes in Rules and Regulations	10
10.	Enforcement of Rules and Regulations.....	10
11.	Termination of Water Deliveries	11
12.	Settlement Agreement(s) or Other Legal Agreement(s).....	11
13.	Water Quality	11
14.	Regular Meetings	11
15.	Land-Based Assessments.....	11
III.	STATE WATER PROJECT	11
1.	Allocation of Project Water	12
2.	SWP Water Orders.....	12
3.	Continual Delivery	13
4.	Water Shortages	13
5.	Proration of Available Capacity	13
6.	Charge for Water Spilled	14
7.	Water Transfers/Exchanges	14
(a)	Delivery To Lands Outside District Boundaries.....	14
(b)	Non-Permanent Transfer of Table A Water	14
(c)	Transfer or Exchanges of Article 56'(C) Carryover Water.....	15

(d)	Transfer of Interruptible Water	15
(e)	Annual Exchanges of Table A Water	16
(f)	Permanent Transfers of Table A Water Out of the District.....	16
(g)	Long Term Agreement to Transfer Project Water Within the District:	19
8.	Authority of District to Enter into Water Supply Contract and Water Service Contract	20
9.	Kings County State Water Contract Exchange.....	20
10.	Contract Water Service	20
11.	Conditions of Delivery of Water.....	21
12.	Delivery of Water.....	21
13.	Payments and Procedures for District Billings for Contract Water Service	22
14.	Administration of the Trust Fund and Trust Fund Accounts	25
IV.	KINGS RIVER	26
1.	Bluebook	26
2.	Water Orders.....	26
3.	Allocation.....	26

I. DEFINITIONS

Agent means the Landowner's designated person or entity to act on behalf of the Landowner, including but not limited to receiving, managing, distributing Landowner's allocation of water.

Agricultural Use means any use of water primarily in the production of crops or livestock for market, including any use incidental thereto for domestic or stock watering purposes.

Annual Table A Amount means the amount of entitlement water to be made available to District during the respective Year at the California Aqueduct delivery structures provided for District, under the terms of the State Contract, as shown in Table A thereof or as amended.

AWD v. TLBWSD Settlement Agreement means a Settlement Agreement dated December 15, 2009, pursuant to Kings County Superior Court Case No. 08 C-0175 by and between Angiola Water District and Tulare Lake Basin Water Storage District.

Bluebook means a compilation of agreements by the holders of rights in and to the waters of the Kings River to organize and manage said waters through and by the Kings River Water Association. Those certain agreements located within the "Bluebook" include: 1) an "Administrative Agreement" and "Water Right Indenture", both dated May 3, 1927; 2) an "Agreement Supplementing and Amending Water Right Indenture Dated May 3, 1927 and Supplementing and Amending Administrative Agreement Dated May 3, 1927 Relating to Kings River Water Association", dated June 1, 1949; and 3) an "Agreement Supplementing and Amending Water Right Indenture Dated May 3, 1927, and Administrative Agreement Dated May 3, 1927, each as Amended and Supplemented June 1, 1949, relating to the Kings River Water Association", dated September 10, 1963. Multiple other agreements among the parties exist and in combination with the listed foregoing agreements are collectively referred to as the "Bluebook".

Board means the body of members duly constituted as the Board of Directors of the Tulare Lake Basin Water Storage District.

Carryover Table A Water shall mean water from Annual Table A Amount carried from one year(s) to the next under the provisions of the State Contract Article 12(e) and/or Article 56(c).

Contract Amount of Water means the amount of water which District agrees to deliver, or make available for delivery, to Landowner(s) in each Year based in proportion to Landowner's respective Table A Water as shown in Exhibit B to the Landowner's Water Service Contract and the State Contract.

Contract Water Service means the delivery, or the availability for delivery, of the Contract Amount of Water through District Turnout(s) each and every Year during the term hereof at times and rates of delivery requested by Landowner(s), subject to the

provisions of the Water Service Contract and the Rules and Regulations adopted by the Board.

District means Tulare Lake Basin Water Storage District.

District's Maximum Annual Table A Water means the maximum annual amount set forth in Table A of this State Contract.

District Rate means the unit rate cost per acre foot for available Table A Water, that includes all State charges and the District Water Service Charge.

District Water Service Charge means the charges that Landowner(s) shall pay District for costs of operation, maintenance, and replacement of Project Facilities and costs related to the State Contract, the Water Service Contract and other matters directly associated with and attributed to Project Water.

Interruptible Water means Project Water available as determined by the State that is not needed for fulfilling contractors' Annual Table A Amount deliveries at various times during the Year and as defined by Article 21 in the State Contract.

Landowner means the person or entity owning land within the boundaries of the District.

Landowner Maximum Table A Water means the Landowner's allocated share of District's Maximum Annual Table A Water under the terms of the Water Service Contract.

Non-District Water means water conveyed through Project Facilities that is not contracted for by District.

Off-Aqueduct Charge means the annual charges by the State for Off-Aqueduct Power Facilities allocated among Landowners who have executed a State Water Service Contract.

Project Facilities means District's transmission system, including Laterals A & B, and installations and related facilities owned, controlled, and operated by the District having the purpose of diversion, conveyance, control, measurement, and delivery of water.

Project Water means all water available for delivery to the Landowner(s) obtained by, or available to, District under the State Contract, including but not limited to, Table A, and Interruptible Water.

Representative means the authorized person(s) to act on behalf of the Landowner or Agent.

Rules and Regulations means Rules and Regulations as adopted by the Board pursuant to Section 43003 of the Water Code, and as such Rules and Regulations may be amended from time to time.

State means the State of California acting by and through the Department of Water Resources.

State Contract means the Water Supply Contract between District and the State of California, Department of Water Resources, dated December 20, 1963, and any amendments of said State Contract which have been executed or may be executed during the term of this Water Service Contract.

Supplemental Water means all water other than Project Water obtained by, or available to, District and delivered through Project Facilities, including Dry Year Transfer Program and Supplemental Purchase Water, but excepting Non-District Water.

Supplemental Water Charge means the charge which Landowner shall pay for all costs attributed to Supplemental Water.

Table A Water means the maximum annual amount of water listed in Table A of the State Contract.

Trust Fund Accounts means the individual Landowners' accounts that shall be established by the District to administer the Trust Fund internally among the Landowners.

Turnout(s) means any structure constructed for the purpose of diverting water to the Landowners from Project Facilities.

Water Availability Charge means the charge the Landowner shall pay each Year on Table A Water, regardless of whether or not all or a portion of Table A Water is delivered to, or taken by, Landowner and shall include the District Water Service Charge.

Water Service Contract means the five-year agreement for water service between District and Landowner(s).

Water Use Charge means the charges that Landowner shall pay for water deliveries under the provisions of Article III.

Year means the twelve-month period from and including January 1 through December 31, both dates inclusive.

II. GENERAL PROVISIONS

1. Interlake Agreement

District recognizes that a controversy exists as to the meaning and effect of the Interlake Agreement, dated January 7, 1930, and it is expressly understood that the transmission of water through Project Facilities for use within District, is not to be and shall not be construed as ownership or operation of distribution facilities within District and that said controversy is expressly left unresolved and undetermined.

2. Project Facilities

(a) Management of Project Facilities

Project Facilities are under the exclusive management and control of the District. Only District employees shall operate Project Facilities. No other person(s) shall have any right to interfere with, operate, or manage the said Project Facilities in any manner.

(b) Temporary Discontinuance

District may temporarily discontinue or reduce the amount of water to be furnished to Landowner as herein provided, for the purpose of investigation, inspection, maintenance, repair, or replacement, as may be reasonably necessary, of any of the Project Facilities for the furnishing of water to Landowner, or of the facilities of the State. To the extent practicable, District shall give Landowner notice in advance of such temporary discontinuance or reduction, except in case of emergency, in which case no notice need be given. In no event shall any liability accrue against District, or any of its officers, agents, or employees, for any damage, direct or indirect, arising from such temporary discontinuance or reduction of water deliveries.

In the event of any suspension, discontinuance, or reduction under the terms hereof, District shall upon the resumption of service, to the extent it may be possible to do so and within the ability of Landowner to accept same, make every reasonable effort to deliver, within the same Year, the quantity of water which would have been furnished to Landowner in the absence of such event or contingency. In the event District is unable to deliver the water in the same year, the Landowner may then schedule the delivery of said undelivered water for the subsequent year, to the extent water is available under the State Contract.

(c) Kern River Agreement and County of Kings

Project Facilities may be used to convey water made available to District under the terms of the Supplement to Kern River Water Settlement Agreement dated August 15, 1974, and the Agreement dated April 26, 1967, by and between the County of Kings of the State of California and the District. The Kings River water and State Water Project water to be

exchanged under said County of Kings Agreement and the buyback of the Kings River water under the December 23, 1980, agreement between the County of Kings and certain local water entities shall be administered in accordance with the AWD vs. TLBWSD Settlement Agreement. true and correct copy of said settlement agreement is available at the District's office presently located at 1001 Chase Ave., Corcoran, CA 93212, and is incorporated herein by this reference as though fully set forth herein.

(d) Encroachment of Project Facilities

No opening shall be made or structure placed in any Project Facilities, except by District, or without written approval of the District's Board.

The work for all encroachments on Project Facilities shall be constructed and maintained to District's specifications at the sole expense of the Landowner.

Any person using any District right-of-way for any purpose assumes all risk of so doing and by his use accepts responsibility for any damage to District property resulting therefrom and also for any damage or claims of damage to private property caused by such damage to District property.

Any Landowner encroaching Project Facilities shall first enter into an agreement which shall, among other things, provide a hold harmless to the District.

Access roads along Laterals A and B banks may be used by Landowner(s) at such time and in such a manner that neither the road nor the bank is damaged, within terms and conditions to be set from time to time by the Board.

No livestock may be pastured, or allowed to trespass, upon Project Facilities at any time.

No waste of any kind shall be either dumped into Project Facilities or placed on or adjacent to the banks of Project Facilities where it might fall, slide or be blown into the Project Facilities.

No tail water from any source shall be spilled into Project Facilities, except by District or with the written approval of the District's Board.

(e) Wheeling Water Charge

The District shall bill non-Landowners a wheeling fee, at a unit rate to be set by the Board, for water conveyed through Project Facilities. Landowner(s) who have not executed a State Water Service Contract with the District will be charged a wheeling fee for movement of non-District water.

3. Delivery of Water

Consistent with the design and operational objectives of Project Facilities and giving consideration to requests for water service from all Landowners, District shall schedule water deliveries and deliver water to Landowner as nearly in accordance with Landowner's request as is practicable. District determination with regard to scheduling of water deliveries shall be final and conclusive; provided, however, that District, its officers, agents, and employees shall have acted in good faith and without partiality toward or bias against any Landowner.

District shall not be liable for the failure to deliver any water to the extent that such failure is due to regulatory or legal actions; provided, however, to the extent that District water supplies are reduced by such failures, District shall make commensurate reduction in the water supplies to the Landowner. In no event shall any liability accrue against District, its officers, agents, or employees, for any damage, direct or indirect, arising from a shortage due to problems of delivery, drought, or any other cause whatsoever, including but not limited to regulatory restrictions on Delta exports, flood, lightning, and earthquake; provided, however, that such shortage shall be a shortage beyond and outside of the control of District.

4. Representatives

Each Landowner or Agent who desires water service shall advise the District in writing the names of the Representative(s) and Representative(s) may be changed from time to time by the Landowner or Agent by giving such notice, in writing, to the District.

5. Assessments, Fees, and Other Charges

Landowner shall be responsible for all assessments, fees, and other charges irrespective of Landowner's designation of any Agent. No water shall be delivered to Landowner if such Landowner is delinquent in the payment of any charges, delinquent in any assessment levied by District, or in violation of any of the Rules and Regulations.

6. Water Delivery or Operations Grievances

A grievance or complaint related to water delivery or operations that cannot be settled directly with the Operations Superintendent, shall be appealed to the General Manager and, from his decision, appeal may be made to the Board. Provided, however, no such Landowner shall be precluded from taking any legal action available in a court of competent jurisdiction after exhausting these administrative remedies.

7. Responsibility for Damage to District Property

Each Landowner shall be responsible to District for all damage to District property caused by negligent or careless acts of himself or his Agent. All such damage will be repaired by District or to District's specifications and the cost thereof shall be borne by the Landowner.

8. Limitations of District Responsibility

District shall not be liable for the control, carriage, handling, use, disposal, or distribution of water supplied by the District, or any claim of damage of any nature whatsoever, including but not limited to property damage, personal injury or death, arising out of or connected with the control, carriage, handling, use, disposal or distribution of such water, after such water has passed the District's delivery structures. District shall not be liable for any damages of any kind or nature resulting directly or indirectly from any private ditch or the water flowing therein, or for negligent, wasteful or other use or handling of water by the users thereof inside or outside of the District boundaries.

9. Changes in Rules and Regulations

These Rules and Regulations shall become effective immediately and may be changed from time to time by resolution of the District's Board.

10. Enforcement of Rules and Regulations

The General Manager of District shall be responsible for the enforcement of the Rules and Regulations. Refusal to comply with any of the Rules and Regulations shall be sufficient cause for the termination of water service, and water service shall not again be furnished until full compliance has been made with all the requirements herein set forth. In no event shall any liability accrue against District or any of its officers, agents, or employees, for damage, direct or indirect, arising from such temporary discontinuance or reduction of water deliveries; provided, however, that liability of District hereunder shall be governed by and under the provisions of the Government Code of the State of California, commonly known as the "Government Claims Act", Section 810 et seq. of said Code and applicable law with respect thereto.

Any violation of the Rules and Regulations must be cured within five days of notice of such violation. In addition to the other remedies provided herein and by law, the Board may reallocate a Landowner's water in the manner provided herein in the event he fails to cure a delinquency or violation within ten days of notice of such. Should Landowner fail to timely cure the violation, he shall be considered in default of this Water Service Contract.

11. Termination of Water Deliveries

No water will be delivered to a Landowner if he is delinquent in the payment of any District charges, billings, or assessments or is in violation of these Rules & Regulations or in breach of the Water Service Contract.

12. Settlement Agreement(s) or Other Legal Agreement(s)

Nothing herein shall be construed to be inconsistent with any existing Settlement or other Legal Agreements entered into by the District, including but not limited to, AWD v. TLBWSD Settlement Agreement.

13. Water Quality

Water delivered by District is in a raw untreated condition and, as a result, is considered to be unfit for human consumption without treatment. The character and quality of water furnished hereunder may vary from time to time, and District does not guarantee in any respect the character or quality of the water delivered pursuant to this Water Service Contract.

14. Regular Meetings

The District Board of Directors shall regularly meet monthly on the second Tuesday of the month at the District office located at 1001 Chase Avenue, Corcoran, California 93212, unless otherwise approved by resolution of the Board.

15. Land-Based Assessments

The District is authorized pursuant to its enabling act to lien original and supplementary assessments for the purpose of raising sums for District project(s), in addition to raising additional sums for the operation of the district works or for the conduct and management of the District or its works, pursuant to California Water Code §§ 46900, 47100, *et seq.*). The Board has previously authorized a land-based assessment for its General Fund, which applies to all assessed acres within the District's boundaries.

III.STATE WATER PROJECT

The following Article applies to Landowner(s) who have executed a State Water Service Contract with the District.

1. Allocation of Project Water

The District's ability to deliver State Project Water to Landowners is limited to the use of Laterals A and B unless other arrangements are made with the District by a Landowner(s).

Nothing herein contained shall be construed to impose any obligation or liability to Landowners not existing under the adopted Projects of District, the Interlake Agreement, the pertinent provisions of the Water Code of the State of California, or other applicable law.

Landowners shall be given the opportunity to receive their proportionate share of District's Maximum Table A Water on a uniform basis per assessed acre, under terms and conditions set forth in the Water Service Contract, except for those lands which have been stripped of the right to contract for State Project Water. Unless a Landowner timely enters into a Water Service Contract, the Landowner will be precluded from doing so until the subsequent Water Service Contract is offered.

In the event that all or a portion of District's Maximum Table A Water is not subscribed by Landowners in accordance with their respective percentages of eligible lands to contract with the District, the other Landowners in District will be afforded the opportunity to subscribe for quantities in excess of their respective percentages.

In the event Landowners subscribe for quantities in excess of their respective percentages of eligible lands to contract with the District, as provided above, the reallocable quantity will be apportioned to said Landowners on a pro rata basis per contracted Landowner Maximum Table A Water.

In the event the under-subscribed quantity is in excess of the quantity requested by over-subscribing Landowners, then, and in that event, assessments will be levied from time to time all as provided for in Section 44030 of the California Water Code (California Water Storage District Law). District will, however, make reasonable efforts to dispose of the under-subscribed quantities of water at the best prices available for the accounts of the under-subscribing Landowners.

From time to time there may be made available to District other Project Water than District Maximum Table A delivered through Project Facilities. The District shall promptly notify the Landowners of the availability and estimated cost of said water and the allocated amounts to each Landowner based upon respective percentage of Landowner Maximum Table A Water. Landowners desiring to participate shall notify the District.

2. SWP Water Orders

All Landowners' orders for Project Water, Supplemental Water and Non-District Water deliveries shall be made to the District office or District personnel no less than 24 hours prior to actual delivery.

Annual requested monthly delivery schedules shall be submitted on forms provided, on or before September 30 of each year, to allow District to comply with the requirements of the State and District's operational requirements.

Delivery Schedule requirements of the State include, but are not limited to, the following:

- (1) On or before October 1 of each year, District must submit in writing to the State a preliminary Project Water delivery schedule, indicating the amounts of water desired by the District during each month of the succeeding year and for subsequent four years.
- (2) On December 1 of each year, the State shall determine and furnish to District the water delivery schedule for the next succeeding year which shall show the amounts of water to be delivered to District during each month of that year.
- (3) A water delivery schedule may be amended by the State upon District's written request. Requested amendments shall be submitted by the Landowner in time for the District to submit the desired change prior to the month or months the desired change is to become effective and shall be subject to review and modification by the State in like manner as the schedule itself.

It is expected that, under normal operational conditions, and within the limitations of contract obligations and capacities of the Project Facilities, it will generally be possible to accommodate Landowners' requests for water deliveries and changes in daily water deliveries provided that advance notice is given by such Landowners to District in accordance with the operating procedures of the State.

3. Continual Delivery

To the extent practicable, delivery of water shall be made continually, day and night.

4. Water Shortages

Pursuant to powers granted by Section 43004 of the California Water Code, in the event of a shortage of Project Water, water will be apportioned to each Landowner within District, in accordance with the AWD vs. TLBWSD Settlement Agreement.

5. Proration of Available Capacity

At any time or location where total Landowner requests for delivery capacity in Project Facilities exceeds the actual capacity of Project Facilities, then the actual capacity of Project Facilities will be allocated among those Landowners requesting delivery capacity in proportion to the respective percentages of Landowner Maximum Table A Water under the Water Service Contracts and any reserved capacity rights relating to the permanent

transfer of Table A Water. Landowners may use their allocated share of delivery capacity in Project Facilities to take delivery of any type of water, irrespective of the source.

6. Charge for Water Spilled

If water is ordered, and the Landowner is not ready or able to receive water or continue to take delivery at the times of requested delivery, said Landowner shall be charged for any water spilled until the State, at District's notification, has effected a change at the Turnout(s) in the California Aqueduct, unless another Landowner agrees to take said water. In the event no other Landowner agrees to take said water, District shall notify the State as soon as reasonably possible to cease delivery.

7. Water Transfers/Exchanges

(a) Delivery To Lands Outside District Boundaries

Deliveries of water from Project Facilities to lands outside District boundaries shall be made in accordance with the provisions contained in "POLICY RE DELIVERY OF STATE PROJECT WATER TO LAND OUTSIDE OF DISTRICT BY ACTION OF THE BOARD OF DIRECTORS JANUARY 3, 1974" and further specified in "AGREEMENT BETWEEN TULARE LAKE BASIN WATER STORAGE DISTRICT (HEREIN TERMED DISTRICT) AND 'LANDOWNER' (HEREIN TERMED LANDOWNER) IN SUPPORT OF REQUEST FOR STATE CONSENT TO DISPOSITION OF PROJECT WATER OUTSIDE THE BOUNDARIES OF DISTRICT", all as may be amended. Copies of both documents are on file in the offices of the District.

(b) Non-Permanent Transfer of Table A Water

Landowner may transfer Table A Water to any other State Water Contractors in accordance with allowable amounts as stated in the State Contract.

- (1) The Landowner shall provide details of the proposed transfer and obtain permission from the Board or General Manager to make the transfer under the conditions herein;
- (2) The transfer shall not adversely impact the financial integrity of the District or cause an adverse water or financial impact to other Landowners;
- (3) If lands are fallowed as a result of the transfer, the Landowner shall comply with the District's transfer condition for Fallowed Land Management Practices specified below;

(4) The Landowner shall pay any direct costs, administrative, and processing fee to the District as determined by the Board;

(5) The transfer will be subject to all State, regulatory and other required approvals.

(c) Transfer or Exchanges of Article 56'(C) Carryover Water

Landowner may transfer Article 56(C) carryover water to any other State Water Contractors in accordance with allowable amounts as stated in the State Contract.

(1) Transfer or Exchanges of Article 56 Carryover Water are limited to a single-year.

(2) The Landowner may Transfer or Exchange an amount up to fifty percent (50%) of its Article 56 Carryover Water.

(3) Subject to approval of the Board, the Landowner may transfer or Exchange an amount greater than 50% of its Article 56 Carryover Water.

(4) The Landowner shall provide details of the proposed Transfer or Exchange and obtain permission from the Board or General Manager to make the Transfer/Exchange under the conditions herein;

(5) The transaction shall not adversely impact the financial integrity of the District or cause an adverse water or financial impact to other Landowners;

(6) If lands are fallowed as a result of the transfer, the Landowner shall comply with the District's transfer condition for Fallowed Land Management Practices specified in below;

(7) The Landowner shall pay any direct costs, administrative, and processing fee to the District as determined by the Board;

(8) The transfer will be subject to all State, regulatory and other required approvals.

(d) Transfer of Interruptible Water

Landowner may transfer Interruptible Water to any other State Water Contractors in accordance with allowable amounts as stated in the State Contract.

(1) The Landowner may transfer a portion of interruptible water allocated to them.

- (2) The Landowner shall provide details of the proposed transfer and obtain permission from the Board or General Manager to make the transfer under the conditions herein;
- (3) The transaction shall not adversely impact the financial integrity of the District or cause an adverse water or financial impact to other Landowners;
- (4) If lands are fallowed as a result of the transfer, the Landowner shall comply with the District's transfer condition for Fallowed Land Management Practices specified below;
- (5) The Landowner shall pay any direct costs, administrative, and processing fee to the District as determined by the Board;
- (6) The transfer will be subject to all State, regulatory and other required approvals.

(e) Annual Exchanges of Table A Water

Annual exchanges will be allowed pursuant to the State Contract. Landowner may annually exchange any portion of his Table A Water as allowed by State Contract to another State Water Project Contractor or a non-Contractor, or, under the following conditions:

- (1) The Landowner shall provide details of the proposed exchange and obtain permission from the Board or General Manager to make the transfer under the conditions herein;
- (2) The exchange shall not adversely impact the financial integrity of the District or cause an adverse water or financial impact to other Landowners;
- (3) Exchange ratios, cost compensation, and period during which water may be returned shall be consistent with the State Contract.
- (4) The Landowner shall pay any direct costs, administrative, and processing fee to the District as determined by the Board;
- (5) The exchange will be subject to all State, regulatory and other required approvals.

(f) Permanent Transfers of Table A Water Out of the District

Conditions for Permanent Transfers are to assure that the financial integrity of the District is not affected and to prevent adverse water and financial impacts to the other Landowners by virtue of the transfer. Only those Landowners that are under a current Water Service Contract may permanently transfer Table A Water.

- (1) **Bond Repayment:** Payment in full of principal and interest on any outstanding Bond Assessment for lands identified as no longer having ability to contract for State Project Water.
- (2) **District Annual Operation and Maintenance (O & M):** A one-time O & M mitigation fee shall be paid to the District to avoid annual O & M costs from being shifted to other Landowners. Calculation of the fee shall be based on a term of 35 years, at an interest rate based on the U.S. Money Rate 30-Year Treasury Bonds, seven days prior to the targeted close date, and a District O & M inflation factor based on the District's O & M Costs from 1991 forward

In lieu of paying the one-time O & M mitigation fee to the District, Landowner may, under an agreement with the District and the Transferee, continue to annually pay the District O & M charges, provided the transferred Table A Water right or other adequate security for such payment is provided under terms and conditions acceptable to the Board. The estimated annual O & M charges shall be paid in advance on or before January 31st of the contract year. Landowner may elect to cease annually paying the District's O & M charges by paying a one-time O & M mitigation fee. Said fee shall be calculated and based on a 35-year period commencing from such election, at an interest rate based on the U.S. Money Rate 30-Year Treasury Bonds, seven days prior to the targeted close date, and a District O & M inflation factor based on the District's O & M Costs from 1991 forward.

- (3) **District's Project Facilities Capacity:** In the event Landowner has paid the one-time O & M mitigation fee provided for above, Landowner shall for a period of 35 years retain the right to utilize the capacity in the Project Facilities that would have been allocated to Landowner absent the transfer of the Landowner Maximum Table A Water. Such capacity may be used for deliveries inside or outside of the District boundaries. At the end of said 35-year period, Landowner shall release and no longer have the right to utilize the subject capacity.

In the event the Transferee enters into an agreement with the District to annually pay the District's O & M charges, the transferring Landowner shall retain the right to utilize the capacity in the District's Project Facilities that would have been allocated to the Landowner absent the transfer of the Table A Water, provided the Landowner (or the party responsible under the agreement) remains current.

- (4) **Fallowed Land Management Practices:** Customary and accepted farming practices (Management Practices) such as disking, planting native grasses, etc., shall be implemented, if necessary, on designated lands that are fallowed as a result of the permanent transfer to avoid harm to adjoining Landowners. The Landowner shall annually designate such fallowed lands

not later than April 1 by providing notice of such designation to the District. Nothing in this section of the Conditions shall require the Landowner to fallow lands.

The amount of such designated fallowed lands shall be calculated based on an assumed irrigation rate of 2.4 acre-feet per acre. For example, if the Landowner does not have sufficient water supplies to continue farming his historical cropped acreage, after permanently transferring 1,000 acre-feet of Table A Water, the maximum amount of designated fallowed lands that shall be subject to the above required Management Practice shall be determined as follows:

1,000 acre-feet/2.4 acre-feet per acre = 417 acres of designated fallowed lands

Notwithstanding the foregoing, the Landowner shall only be required to implement the Management Practices on the area of the designated fallowed lands that physically lies within ½ mile of another Landowner's cropped lands (buffer zone), unless said Landowner agrees otherwise. For example, if a Landowner fallows as a result of a transfer and designates 500 acres of which only 200 acres physically lie within the ½ mile buffer zone, the Landowner is only required to implement Management Practices on the 200 acres within the buffer zone.

The Landowner shall enter into a recorded agreement with the District to ensure the appropriate Management Practices within the buffer zone are implemented. In the event the Landowner fails to implement the Management Practices after 30 days written notice to do so from the District, the District may take whatever action it deems reasonably necessary to implement the required Management Practices and bill the Landowner for all of its costs, including its out-of-pocket costs, administrative costs and legal fees. If the Landowner fails to reimburse District within 30 days of billing for said costs, the District may enforce lien rights on the entire designated fallowed acreage. Such lien rights shall include the right to foreclose.

In addition to the aforescribed lien rights against the designated fallowed lands, the District may withhold and dispose of the Kings River Water supplies allocated to the designated fallowed lands by the District. Any revenues received from the disposition of said Kings River supplies shall be first applied toward the District's costs provided for above. Any excess revenues shall be returned to the Landowner. Notwithstanding the foregoing, the District may exchange said Kings River Water supplies with another Landowner to perform the Management Practices on behalf of the District.

- (5) **Deed Restrictions:** Landowner shall designate lands that shall be stripped of any further right to contract for State Project Water with the District by a recorded deed restriction. The acreage of land reflecting the Table A water to be stripped shall be calculated using 0.64 acre-feet per acre.
- (6) **Administrative and Processing Fee:** Landowner shall pay an administrative and processing fee to the District as determined by the Board.
- (7) **Right of First Refusal:** Landowner proposing to permanently transfer Table A water out of the District shall present the proposed transfer to the Board for review to determine if it is consistent with the District's transfer policy and rules. Landowner shall provide a copy of the executed transfer agreement to the District. The District shall in turn make a copy of the transfer agreement to the other Landowners (non-transferring Landowners) and the other SWP Contractors in Kings County who shall have a 30-day first right-of-refusal to buy all or a portion of the Table A amount proposed to be transferred on the same terms and conditions as being proposed. Landowners in the District shall have priority over the other SWP Contractors in the County.

(g) Long Term Agreement to Transfer Project Water Within the District:

Notwithstanding any contrary provisions of a Landowner's Water Service Contract, a Landowner may transfer, exchange, assign or convey any portion of its Project Water to a water supply or delivery entity that will cause the delivery of such water within the District's boundaries for any term upon notice to the District under the following conditions:

- (1) The Landowner shall provide details of the transfer to the General Manager;
- (2) The transfer shall not adversely impact the financial integrity of the District or cause an adverse water or financial impact to other Landowners;
- (3) The transfer will be subject to all State, regulatory and other required approvals, if any;
- (4) The Landowner shall remain responsible for all financial and other obligations under this contract associated with the transferred water;
- (5) The Landowner shall schedule delivery of the water on behalf of the entity that will receive the water;
- (6) All District accounting for the transferred water shall be reflected in the account of the Landowner;

- (7) A transfer shall remain effective for its entire term notwithstanding subsequent changes in these Rules and Regulations.

8. Authority of District to Enter into Water Supply Contract and Water Service Contract

These Rules and Regulations, among other things, govern the water under the Water Supply Contract between the State of California, Department of Water Resources, and Tulare Lake Basin Water Storage District, and the Water Service Contract between the District and its Landowners, and any amendments to the foregoing. In the event of a conflict between such Contracts and these Rules and Regulations, reconciliation amendments shall be adopted as soon as reasonably possible. In the event the conflict is not or cannot be reconciled, the Water Supply Contract and the Water Service Contract shall govern.

Pursuant to said Section 43003 of the Water Code of the State of California, District may enter into water service contracts with Landowners, which contracts may, in the discretion of the Board, provide, among other things, that the obligations are a lien on the land with the same force and effect and priority as an assessment lien if such contract is recorded in the office of the County Recorder in the County in which such land is situated and such contracts may provide for delivery of water outside District's boundaries as contemplated by the Water Supply Contract and the obligations resulting from such deliveries may likewise be secured by a lien on lands within the boundaries of District. The Water Service Contracts entered into between District and Landowner shall be recorded.

9. Kings County State Water Contract Exchange

Water available to the District under the County of Kings State Contract, other than Table A, shall be allocated and apportioned to Landowners in proportion to their respective assessed acreage of land in the District, unless the District is required by law, or for reasons beyond its control, to allocate such supplies in some other manner. Table A Water available through the County of Kings State Contract shall be allocated in proportion to the Landowner's respective Table A as made available through the District's State Contract and Water Service Contract.

10. Contract Water Service

In the event that District obtains an increase in its Project Water or an allocation of Supplemental Water, Landowner may, at his option, participate therein with other Landowners, in proportion to the Landowner Maximum Table A Water.

District shall at all times endeavor, through State Contract, to obtain and deliver at Turnouts, the full Contract Amount of Water to Landowners at the least cost, subject to the provisions of the Rules and Regulations.

Interruptible Water shall be made available and delivered in accordance with the terms of the State Contract. District shall make Interruptible Water available to Landowners to the extent Interruptible Water is available to District.

Under the terms of the State Contract, District is permitted to carry over water for delivery in the subsequent Year(s). In no event shall a Landowner be permitted to carry over water into the succeeding Year(s) unless the District has been permitted to do so in accordance with provisions of the State Contract. In the event there is inadequate carryover space in San Luis Reservoir at any time to accommodate all carryover requests, Landowner's share of District carryover space shall be in proportion to the Landowner's respective Maximum Table A Water as compared to other Landowner Maximum Table A Water that are requesting to carry over water. Any and all Carryover Water shall be at risk of displacement or conversion in the event the State is in need or requires project storage space. Landowner shall not be entitled to any reimbursement for, or replacement of Carryover Water lost by Landowner.

District is subject to delivery priorities established by the State Contract. District shall attempt to deliver all waters to Landowners in accordance with delivery requests. In the event Project Facilities are inadequate at any time to convey all of the water requests by Landowners for delivery, allocation of conveyance capacity will be made in accordance with the Rules and Regulations.

11. Conditions of Delivery of Water

District shall not be liable for the failure to deliver water to the extent that such failure is due to the failure of the State to perform any obligation imposed on the State by the State Contract; provided, however, to the extent that District water supplies are reduced by such failures, District shall make commensurate reduction in the water supplies to the Landowner.

After initiation of Contract Water Service, there may at times occur a shortage in the quantity of any type of water available from the State to Landowner pursuant to this Contract.

Delivery adjustments from the California Aqueduct through Project Facilities shall be allocated monthly among the Landowners based on their respective monthly deliveries of all water compared with the total monthly deliveries for the Year of all water through Project Facilities. Such adjustments shall be equalized for all water deliveries for the Year.

Conveyance Capacity of District's Lateral A is subject to and limited by the Agreement dated January 2, 1968, by and between District and the Empire West Side Irrigation District.

12. Delivery of Water

Except as otherwise provided herein, and in the event, Landowner is unable to use all or

any part of his Contract Amount of Water in any given Year, District shall, to the extent permitted under the terms of the State Contract and as may be allowed by the State, carry over such water for future delivery, at the option of Landowner. Any additional charges resulting from such Carryover Water shall be paid by Landowner.

13. Payments and Procedures for District Billings for Contract Water Service

On or before September 1 of each Year, District shall notify Landowner, in writing, of the estimated total monthly amount of the Water Availability Charge based on the Landowner Maximum Table A Amount and the estimated rate for Water Use Charges for the following Year.

The Water Availability Charge shall be Landowner's share of District's fixed or recurring costs based in proportion to Landowner Maximum Table A Water, including, but not limited to, the following:

- i. Capital Cost Component of the Delta Water Charge and the Transportation Charge.
- ii. Minimum Operation, Maintenance, Power, and Replacement Component of the Delta Water Charge and the Transportation Charge.
- iii. Replacement Charge.
- iv. Off-Aqueduct Charge.
- v. Water Revenue Bond Surcharge.
- vi. District Water Service Charge.
- vii. Other State Charges/Refunds.

The Water Availability Charge shall be billed on a monthly basis. Payment on said charges must be received by District within thirty (30) days from date of invoice.

The Water Use Charge shall include Landowners' cost of, but not be limited to, the following:

The variable or non-recurring costs associated with the delivery of Project Water, Carryover Water, Supplemental Water and Non-District Water. Such charges shall be made on a uniform basis, in dollars per acre foot of water delivered from Project Facilities, and shall include, but not necessarily be limited to the Variable Operation, Maintenance, Power.

District must receive payment on such charge(s) no later than thirty (30) days from the

date of invoice.

Supplemental Water Charge shall include all charges imposed by separate Contract with State for acquisition of Supplemental Water.

Following receipt of any adjusted water cost information from State, District shall provide each Landowner an adjusted accounting of the water charge(s), based upon District's adjusted payment obligations to State or refund from State and the actual quantities of water delivered to Landowner. District shall include with said adjusted accounting either:

- i. A credit note showing the amount that shall be deducted from the next payment from Landowner obligations to District; or
- ii. An invoice for Landowner's additional payment obligations that shall be due and payable within thirty (30) days from date of invoice.

The District Water Service Charge adjustment shall be based on actual expenditures at Year-end and credited or charged to the Landowners in accordance with the Rules and Regulations.

Under the provisions of the State Contract and the administrative procedures of the State, it is expected that there will continue to be occasions when District will not receive final power cost information on various categories of Project Water, including Carryover Water and/or Supplemental Water delivered to District until one year or more after the date of delivery of such water. Such final cost information may indicate that upward and/or downward power cost adjustments will be applicable to such delivered water. All such upward and/or downward power cost adjustments shall be allocated in proportion to the Landowners respective Project Water, and/or Supplemental Water, delivered in the subject Year of adjustment.

The State shall determine annually the Off-Aqueduct Charge based on costs for energy required for requested water deliveries from all Contractors under the State Contracts. Subsequent adjustments shall be made based upon actual Landowner's deliveries and upon the net Off-Aqueduct charge. In the event the quantity of Project Water delivered by District in Year is zero, then the Off-Aqueduct Charge shall be allocated uniformly to the Landowners in proportion to Landowner Maximum Table A Water.

The charges provided for herein are authorized by Sections 43006 and 47180 of the California Water Code and are intended to be provisionally in lieu of assessments authorized under said Code. Nothing contained herein shall limit the power of District to levy assessments from time to time in accordance with benefits, as provided in said California Water Code, to collect such amounts as may be found necessary by District to meet its financial obligations to the State.

No water shall be delivered to Landowner if such Landowner is delinquent in the payment of any charges, delinquent in any assessment levied by District, in breach of the Water

Service Contract, or in violation of any of the Rules and Regulations. In the event Landowner is or has been delinquent or in default under the current or a prior Water Service Contract, the Board may, in its discretion, require Landowner to post a deposit in an amount to be determined by Board before Water Service may be reinstated under this or any subsequent Water Service Contract.

In the event District is unable to meet its total financial obligation to the State due to failure by one or more of the Landowners to remit payment as provided in the Water Service Contract that would result in delinquency charges by the State, District shall make payment to the State of those funds which are available from Landowner(s) prior to the State's delinquency date. Remaining payments received from the delinquent Landowner(s), including State delinquency charges, will be forwarded to the State as they are received to be credited against District's delinquent account. The delinquent Landowner(s) shall be responsible for any and all State delinquency charges, and other charges accrued on the outstanding delinquency. District shall bill each delinquent Landowner his pro rata share of such charges, considering both the amounts and periods of time of the delinquency. In addition, each such delinquent Landowner shall be obligated to pay any District interest, penalties, or other charges, all as hereinafter provided.

In the event any charge or any obligation of the Landowner arising from the Water Service Contract remains unpaid for a period of thirty (30) days after invoice date, it shall thereupon become delinquent and a penalty of ten percent (10%) shall be added thereto and it shall thereafter bear interest at the rate of twelve percent (12%) per annum, shall be recorded as a lien on the Landowner's land, and shall be collectible, all as provided in Sections 47181 to 47185, inclusive, and Section 43003 of said California Water Code and in any other manner authorized by law. Any Landowner who shall become delinquent in any payment due hereunder shall be considered in default of this Water Service Contract.

Monies received from Landowner shall be first applied to the oldest outstanding invoices and any penalties or interest thereon. District imposed penalties and interest collected from Landowner(s) shall be deposited in the District's State Water Fund Account for the benefit of all Landowners who have executed a State Water Service Contract.

Delinquent Landowner shall reimburse District for all costs, including, but not limited to, administrative costs and attorney's fees associated with the collection of delinquent payments, penalties, and interest.

Landowner's failure or refusal to accept delivery of his Contract Amount of Water in any Year shall in no way relieve Landowner of the payment obligations provided for herein. Should any Landowner not accept delivery of his Contract Amount of Water, then the District, at the request of Landowner, shall make reasonable efforts to dispose of any water made available to, but not required by, Landowner. In disposing of any such water, District shall first make the water available to other landowners within the District at the District Rate. The District shall then make reasonable efforts to dispose of the water under the provisions of the State Contract. Revenue derived from the disposition of the water shall be first credited against the Landowner's payment obligations hereunder. Any

surplus revenues from the disposition of the water shall be deposited into District's State Water Project Fund Account for the benefit of all Landowners.

14. Administration of the Trust Fund and Trust Fund Accounts

Trust Fund. The provisions of this Contract shall be subject to the terms of the Agricultural Rate Management Trust Fund as stated in the State Contract.

Agricultural Rate Management Trust Fund means the Agricultural Rate Management Trust Fund established by the Monterey Amendment (Amendment No. 25 to the State Contract) that shall, to the extent there are funds available in the District's account in the Trust Fund, and as requested by the District, make distribution to the State on the District's behalf, or make distribution to the District which shall in turn make the payment to the State in years when: (1) the District Annual Table A Water Amount, by April 15th of that year, is less than 100% of the District's annual requested Maximum Table A Water; or (2) by April 15th of any year, irrigable lands are flooded or are not timely planted in the District. The District's account in the Trust Fund shall be funded by monies collected by the District from the Landowners.

Landowner Accounts. The District shall create and maintain individual Landowner accounts to internally administer the District's account in the Trust Fund. The Landowner's Trust Fund Account shall be credited with all amounts paid into the Trust Fund by the Landowner and earned interest. The amounts withdrawn from the Trust Fund, per the request of Landowner, shall be debited against the Landowner's Trust Fund Account to reduce the Landowner's State billing(s), as hereinafter provided.

Payments into the Trust Fund. The District shall periodically bill each Landowner, based on the Landowner's percentage of Landowner Maximum Table A Amount, for the District's payments to the State and required contributions to the Trust Fund. Payment of said billings shall be subject to these Rules and Regulations.

Payments out of the Trust Fund.

(1) **Years of Less Than 100% Table A Allocation.** In any year in which the State's allocation of Annual Entitlement to the District by April 15th of that year is less than one hundred percent (100%) of the District's requested Annual Table A Water for that year, at the direction of the Landowner, the District shall request the Trustee of the Trust Fund, to the extent there are funds in the Landowner's Account, to distribute to the State (or the District) amounts specified in Article 51(h)(4)(i) of the State Contract. The District shall debit each Landowner's Trust Fund Account by the amount of reduction the respective Landowners received on their State billings.

(2) **Flooded Irrigable Lands.** In any year in which there are irrigable lands within the District which are or have been flooded or not timely planted due to flooding prior to April 15th of that year, at the direction of any Landowner whose lands are not planted, the District shall request the Trustee of the Trust Fund, to the extent there are funds in the

Landowner's Account, to distribute to the State (or the District) amounts specified in Article 51(h)(4)(ii) of the State Contract. The District shall debit the Landowner's Trust Fund Account by the amount of reduction the Landowner received on his State billings. In no event shall the District request on behalf of a Landowner a reduction in his State billings in an amount in excess of the balance in that Landowner's Trust Fund Account. Reductions in billings to the District as a result of Landowner requests for distributions from the Trust Fund shall be allocated to those Landowners whose lands are not planted and who have requested distribution from the Trust Fund.

(3) Notwithstanding the foregoing, in any year in which an entitlement reduction has occurred under Article 51 of the State Contract, the Board may reduce the District's payment into the Trust Fund by the amount added to the District's Statement of Charges from State as a result of said entitlement reduction.

IV. KINGS RIVER

1. Bluebook

These Rules and Regulations and the Bluebook, among other things, govern the Kings River water delivered by the District to its Landowners. In the event of a conflict between the Bluebook and these Rules and Regulations, the Bluebook shall govern. District staff may seek information or documentation from Landowners to ensure compliance with the Bluebook, when necessary.

2. Water Orders

All Landowners' orders for Kings River Water deliveries shall be made to the District office or District personnel no less than 72 hours prior to actual delivery.

3. Allocation

Kings River water made available to the District shall be allocated and apportioned to all Landowners in proportion to their respective assessed acreage of land in the District, unless the District is required by law, or for reasons beyond its control to allocate such supplies in some other manner.

END OF DOCUMENT

EXHIBIT B:

10/12/2022

2023 THROUGH 2027 STATE WATER SERVICE CONTRACT
BETWEEN
TULARE LAKE BASIN WATER STORAGE DISTRICT
AND
LANDOWNER

The allocation of State Project Water to COUNTY SANITATION DISTRICT #2 is 10.04591% of the District's Maximum Annual Table A Water. Said percentage is based upon the attached parcel ownership list, as such ownership relates to assessable land within the District. This percentage shall be adjusted to reflect other landowner participation, as provided in this Contract and the Amended Rules and Regulations. Such percentage has been applied in accordance with this Contract.

The adjusted quantities of Maximum Annual Table A of District and Landowners' Maximum Annual Table A Water are shown below for the period of this State Water Service Contract, all quantities being in acre-feet.

For the Years	District's Maximum Annual Table A Water	Landowner's Maximum Annual Table A Water
2023-2027	87,471 A.F	8787.26 A.F.

The Landowner's Maximum Annual Table A Water shall be adjusted to reflect the Landowner's adjusted percentage of participation.

**2023 - 2027 State Water Service
Contract Parcel Ownership List**

Landowner: COUNTY SANITATION DISTRICT #2

Landowner ID: 2229

Tract	County APN	SECTR	Tract Acreage	Table A
137A	042-030-015-000	01-22-19	563.26	360.91
138	042-030-005-000	01-22-19	6.09	3.90
14	036-110-008-000	13-21-19	575.33	368.64
140	042-030-002-000	02-22-19	15.15	9.71
141A	042-030-014-000	02-22-19	618.50	396.30
141B	042-030-013-000	02-22-19	2.50	1.60
15	036-110-019-000	14-21-19	594.46	380.90
154	042-030-016-000	11-22-19	640.00	410.08
155	042-030-017-000	12-22-19	593.79	380.47
156	042-090-005-000	13-22-19	640.00	410.08
157	042-090-013-000	14-22-19	320.00	205.04
158	042-090-002-000	14-22-19	320.00	205.04
16	036-110-006-000	14-21-19	34.50	22.11
169	042-090-015-000	23-22-19	640.00	410.08
170	042-090-016-000	24-22-19	593.99	380.60
171	042-180-017-000	25-22-19	595.01	381.25
172	042-180-018-000	26-22-19	480.00	307.56
173	042-180-002-000	26-22-19	160.00	102.52
178D	042-230-050-000	34-22-19	6.27	4.02
180	042-180-019-000	35-22-19	640.00	410.08
184	042-180-020-000	36-22-19	581.74	372.75
23	036-110-011-000	23-21-19	47.40	30.37
24	036-110-010-000	23-21-19	589.22	377.54
25	036-110-009-000	24-21-19	601.82	385.61
26	036-220-003-000	25-21-19	610.13	390.94
27	036-220-002-000	26-21-19	632.73	405.42
38	036-220-009-000	35-21-19	632.75	405.43
39A	036-220-004-000	36-21-19	264.44	169.44
39B	036-220-005-000	36-21-19	320.00	205.04
407A	042-230-044-000	01-23-19	464.25	297.47
408	042-230-011-000	01-23-19	82.97	53.16
410A	042-251-001-000	01-23-19	2.90	1.86

**2023 - 2027 State Water Service
Contract Parcel Ownership List**

410B	042-252-001-000	01-23-19	2.90	1.86
410C	042-253-002-000	01-23-19	2.61	1.67
410D	042-254-014-000	01-23-19	0.15	0.10
410E	042-254-002-000	01-23-19	1.00	0.64
410F	042-254-004-000	01-23-19	1.07	0.68
410G	042-250-001-000	01-23-19	0.48	0.31
410H	042-254-007-000	01-23-19	0.05	0.03
411	042-253-001-000	01-23-19	0.05	0.03
412	042-253-003-000	01-23-19	0.29	0.19
413	042-254-001-000	01-23-19	0.19	0.12
414	042-254-003-000	01-23-19	0.15	0.10
415	042-254-005-000	01-23-19	0.05	0.03
416	042-254-006-000	01-23-19	0.05	0.03
417	042-254-008-000	01-23-19	0.05	0.03
418	042-254-009-000	01-23-19	0.05	0.03
419	042-254-010-000	01-23-19	0.05	0.03
420	042-254-011-000	01-23-19	0.05	0.03
421	042-254-012-000	01-23-19	0.05	0.03
422	042-254-013-000	01-23-19	0.05	0.03
423A	042-255-002-000	01-23-19	2.75	1.76
423B	042-255-001-000	01-23-19	0.05	0.03
424	042-255-003-000	01-23-19	0.05	0.03
425	042-255-004-000	01-23-19	0.05	0.03
426A	042-262-008-000	01-23-19	0.40	0.26
426B	042-262-002-000	01-23-19	1.02	0.65
426C	042-263-003-000	01-23-19	2.56	1.64
426D	042-264-001-000	01-23-19	2.90	1.86
426E	042-265-001-000	01-23-19	2.90	1.86
426F	042-260-001-000	01-23-19	0.49	0.31
426G	042-262-006-000	01-23-19	0.20	0.13
427	042-261-001-000	01-23-19	0.19	0.12
428A	042-261-004-000	01-23-19	0.24	0.15
428B	042-261-002-000	01-23-19	0.19	0.12
429	042-261-003-000	01-23-19	0.05	0.03
430	042-261-005-000	01-23-19	0.15	0.10

**2023 - 2027 State Water Service
Contract Parcel Ownership List**

431	042-261-006-000	01-23-19	0.73	0.47
432	042-261-007-000	01-23-19	0.05	0.03
433A	042-261-014-000	01-23-19	0.30	0.19
433B	042-261-013-000	01-23-19	0.58	0.37
434	042-261-009-000	01-23-19	0.05	0.03
435	042-261-010-000	01-23-19	0.10	0.06
436	042-261-011-000	01-23-19	0.20	0.13
437	042-261-012-000	01-23-19	0.10	0.06
438	042-262-001-000	01-23-19	0.10	0.06
439	042-262-003-000	01-23-19	0.05	0.03
440	042-262-004-000	01-23-19	0.05	0.03
441A	042-262-005-000	01-23-19	0.78	0.50
441B	042-262-010-000	01-23-19	0.20	0.13
442	042-262-007-000	01-23-19	0.05	0.03
443	042-262-009-000	01-23-19	0.10	0.06
444	042-263-001-000	01-23-19	0.10	0.06
445	042-263-002-000	01-23-19	0.19	0.12
446	042-263-004-000	01-23-19	0.05	0.03
447A	042-242-001-000	01-23-19	24.85	15.92
447C	042-243-001-000	01-23-19	4.53	2.90
447D	042-240-001-000	01-23-19	1.61	1.03
447E	042-240-002-000	01-23-19	1.34	0.86
447F	042-241-002-000	01-23-19	3.00	1.92
447G	042-241-003-000	01-23-19	22.87	14.65
448	042-243-002-000	01-23-19	1.00	0.64
449	042-243-003-000	01-23-19	0.50	0.32
450	042-243-004-000	01-23-19	0.25	0.16
451	042-243-005-000	01-23-19	0.25	0.16
452	042-243-006-000	01-23-19	0.50	0.32
453	042-243-007-000	01-23-19	0.75	0.48
454	042-243-010-000	01-23-19	0.25	0.16
455	042-243-011-000	01-23-19	0.50	0.32
457	042-243-013-000	01-23-19	0.25	0.16
458	042-243-014-000	01-23-19	0.25	0.16
459	042-243-015-000	01-23-19	0.50	0.32

**2023 - 2027 State Water Service
Contract Parcel Ownership List**

460	042-243-016-000	01-23-19	1.00	0.64
461	042-243-017-000	01-23-19	0.50	0.32
462	042-243-018-000	01-23-19	0.50	0.32
463	042-230-008-000	02-23-19	251.05	160.86
464A	042-230-054-000	02-23-19	47.75	30.59
464B	042-230-055-000	02-23-19	104.45	66.93
465A	042-230-053-000	02-23-19	58.93	37.76
465B	042-230-056-000	02-23-19	177.07	113.46
469A	042-230-050-000	03-23-19	113.22	72.54
Total			<hr/> 13,714.18	<hr/> 8,787.26

**LANDOWNER'S REQUESTED PARTICIPATION
TOTAL CONTRACT AMOUNT OF WATER TO BE DESIGNATED
ON EXHIBIT A, AS MODIFIED, OF STATE WATER SERVICE CONTRACT
FOR 2023 THROUGH 2027 STATE PROJECT WATER**

Reference is made to the State Water Service Contract for the 2023 through 2027 Water Years and the Fifteenth Amended Rules and Regulations effective October 11, 2022 (copy enclosed), addressing Section III (1), "Allocation of Project Water."

Please indicate:

- _____ (a) I desire to purchase my proportionate share of State Project Water, as shown on Exhibit A of my 2023 through 2027 Contract.
- _____ (b) I desire to purchase my proportionate share of additional total Contract water which may be available from undersubscription of other landowners:
- _____ (I) Proportional share of Total Undersubscription;
- _____ (II) Up to a total Contract Amount of Water equal to _____
acre feet.
- _____ (c) I desire to purchase less than my proportionate share, specifically a total Contract amount of _____ acre feet per year.
- _____ (d) I do not desire to purchase any State Project Water for the contract period 2023 – 2027.

I hereby name my authorized Agent on all State Project Water matters to be:

COUNTY SANITATION DISTRICT #2

Signed: _____

Dated: _____

Tulare Lake Basin Water Storage District
1001 Chase Avenue
Corcoran, California 93212



FIRST-CLASS MAIL
Hasler
10/12/2022
US POSTAGE \$002.16⁰
011E10675757
ZIP 93212

COUNTY SANITATION DISTRICT #2
1955 WORKMAN MILL RD
WHITTIER, CA 90601