



## **REGULAR BOARD OF DIRECTORS MEETING**

501 Taft Highway  
Bakersfield, California

**TUESDAY, October 20, 2020**

### **AGENDA**

#### **THERE IS NO PHYSICAL LOCATION FOR THIS MEETING**

Please join this meeting from your computer, tablet, or smartphone.

<https://global.gotomeeting.com/join/778578477> You can also dial in using your phone.

United States: +1 (872) 240-3412 Access Code: 778-578-477

**CALL TO ORDER AND ANNOUNCEMENT OF QUORUM**

**12:00 NOON**

### **EXECUTIVE SESSION:**

- A.** Conference with Legal Counsel – Existing Litigation – Closed Session Pursuant to Gov. Code § 54956.9(d)(1):
  - 1. SWRCB Kern River.
  - 2. California Department of Water Resources v. All Persons Interested in the Matter of the Authorization of Delta Program Revenue Bonds.
- B.** Conference with Legal Counsel – Initiation of Litigation – Closed Session Pursuant to Gov. Code § 54956.9(d)(4):
  - 1. One Matter.
- C.** Conference with Real Property Negotiators Pursuant to Gov. Code Section 54956.8:
  - 1. Potential Recharge Lands
    - a. District Negotiator: Steven Teglia
  - 2. APN 184-150-47
    - a. District Negotiator: Steven Teglia
    - b. Negotiating Party: Barry Marlett
    - c. Under Negotiations: Price and Terms of Payment for Purchase.
  - 3. APN 184-220-50
    - a. District Negotiator: Steven Teglia
    - b. Negotiating Party: Sheryl Stuhr
    - c. Under Negotiation: Price and Terms of Payment for Purchase.

### **REGULAR SESSION:**

**1:30PM**

#### **INTRODUCTION OF GUESTS AND PUBLIC**

- I. PUBLIC COMMENT** (Members of the public may address the Board of Directors on any matter not on the agenda, but absent extraordinary circumstances, the Board may not act on such matters. Members of the public may address items of interest that are listed on the agenda prior to the Board's decision on such items.)
- II. CONSENT CALENDAR** (The Board will consider various non-controversial routine items and issues relating to matters which are of interest to the District. Any Board Member may request that any or all items be considered and acted upon independently of the others.)
- A. Approve Minutes of the Regular Board Meeting of September 15, 2020.
  - B. Approve September/October 2020 District Construction and Water Banking Disbursements.
  - C. Approve September/October 2020 District Accounts Payable.
  - D. Approve Outdoor Lease Agreement (Billboard) with Sun Outdoor Advertising LLC.
- III. BUSINESS AND FINANCE** (The Board will consider various items and issues relating to financial matters which are of interest to the District.)
- A. Business & Finance Committee Report– October 15, 2020.
    - i. Approve October 2020 Financial Reports.
- IV. OPERATIONS AND PROJECTS** (The Board will consider various items and issues relating to matters which have been, or will be, considered by committees of the Board and which are of interest to the District.)
- A. Operations and Projects Committee Report – October 6, 2020.
    - i. District Facility and Maintenance Update.
    - ii. District Encroachment Permit Report.
  - B. District Office Expansion Project Update.
- V. KERN RIVER WATERMASTER** (The Board will consider various items and issues relating to the Kern River Watermaster that are of interest to the District.)
- A. District Watermaster Report.
  - B. Kern River Watermaster Report.
    - i. Isabella Dam Safety Remediation Report.
    - ii. Approval of Isabella Cost Sharing Agreement.
- VI. MANAGER'S REPORT** (The General Manager will discuss, and the Board will consider various items and issues relating to the ongoing and future operations of the District which are of interest to the Board)
- A. Verbal Report.
    - i. Kern Delta Agricultural Water Management Plan Update – 2020, Authorization for General Manager to obtain proposals and select consultant, not to exceed \$60,000.
  - B. External Agency Report.
    - i. Amendment No. 3 to the Long-Term Yuba Water Purchase Program Letter Agreement Between Kern Delta Water District and the Kern County Water Agency.
    - ii. Delta Conveyance Project Participation.
  - C. Water Banking Projects Report.
- VII. ATTORNEY'S REPORT** (Legal Counsel will discuss, and the Board will consider items and issues of legal interest to the District.)

**VIII. BOARD MEMBER COMMENTS** (This item provides Board Members with an opportunity to make announcements or provide general comments.)

**IX. ADJOURN**

Requests for disability related modifications or accommodations, including auxiliary aids or services may be made by telephoning or contacting Lynn Fredricks at the District Office (661-834-4656). Please attempt to make such requests known at least 24 hours before the scheduled meeting. Pursuant to Government Code section 54957.5, any materials relating to an open session item on this agenda, distributed to the Board of Directors after the distribution of the agenda packet, will be made available for public inspection at the time of distribution at the District, 501 Taft Highway, Bakersfield, CA.

**SPECIAL NOTICE**  
**Public Participation and Accessibility**  
**August 18, 2020 Kern Delta Water District (Kern Delta) Board Meeting**

On March 17, 2020, Governor Gavin Newsom issued Executive Order N-29-20, which includes a waiver of Brown Act provisions requiring physical presence of the Board or the public in light of the COVID-19 pandemic. Based on guidance from the California Governor's Office and Department of Public Health, as well as the County Health Officer, in order to minimize the potential spread of COVID-19, the Kern Delta Board hereby provides notice that the following adjustments have been made:

1. The Kern Delta Board meeting scheduled for **October 20, 2020, at 12:00 p.m.** will have public access via GoToMeeting. Closed session will take place between 12:00 p.m. to 1:30 p.m. Open session will convene at 1:30 p.m. or shortly thereafter.
2. Consistent with the Executive Order, the Board and Staff will attend the meeting via GoToMeeting and participate in the meeting to the same extent as if they were physically present.
3. The public may participate in the meeting and address the Board as follows:
  - Join the meeting from a computer, tablet, or smartphone at <https://global.gotomeeting.com/join/778578477> You can also dial in using your phone +1 (872) 240-3412 Access Code: 778-578-477 and comment during the public statements portion of the agenda.
  - If you cannot attend the meeting you can submit your comment via email at [info@kerndelta.org](mailto:info@kerndelta.org) **prior to the Kern Delta Board meeting.**
  - Alternatively, you may comment by calling (661) 834-4656 and leaving a message no later than **4:00 p.m. the day prior** to the Kern Delta Board meeting. Your message will be transcribed as accurately as possible and **will not be read but will be included** as part of the permanent public record of the meeting.

# Tab II





To: Kern Delta Water District Board of Directors

From: Steven Teglia – General Manager

Date: October 20, 2020

**Re: Agenda Item II – Consent Calendar**

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RECOMMENDATION:

Approve items A through D listed under Agenda Item II – Consent Calendar.

DISCUSSION:

Consent Calendar items are non-controversial routine matters. Board Members may request that any or all items listed under the Consent Calendar be moved to the regular agenda to be discussed and voted on separately. Otherwise, all items will be approved through one motion and vote.

**II A.** Approve Minutes of the Regular Board Meeting of September 15, 2020 (attached).

**II B.** Approve September/October 2020 District Construction and Water Banking Disbursements totaling \$178,035.17\* (attached) partially recommended for approval by the Operations and Projects Committee (*see October 6, 2020 Operations and Projects Committee Minutes for additional detail*).

**II C.** Approve September/October District Accounts Payable (attached) recommended for approval by the Business and Finance Committee (*see October 15, 2020 Business and Finance Committee Minutes for additional detail*).

**II D.** Approve outdoor lease agreement (billboard) with Sun Outdoor Advertising LLC (attached). This agreement was developed after the District learned that a Sun Outdoor Advertising billboard was located on the District's Eastside Canal near Highway 58. The terms of this lease agreement are consistent with the terms of other existing District lease agreements for the same purpose. The term is for 20 years with annual payments to the District of \$2,400 per year (including escalation factors every 5 years).

*\*Staff will provide additional comment regarding the difference in disbursements approved by the Operations and Projects Committee (\$172,679.99) and the total stated above.*



## **DRAFT MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS**

September 15, 2020

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### **TUESDAY, September 15, 2020, 12:04PM– 2:33PM**

DIRECTORS PRESENT: Collins.

DIRECTORS PRESENT VIA VIDEO: Palla, Kaiser, Tillema, Antongiovanni, Garone, Bidart, Mendonca, and Spitzer.

DIRECTORS ABSENT: None.

STAFF PRESENT: General Manager Teglia, Water Resources Manager Mulkay, Assistant General Manager Bellue, General Counsel Iger, Controller Duncan, Hydrographer Hyatt, and Administrative Assistant Rodriguez.

OTHERS PRESENT VIA VIDEO: George Cappello.

### **EXECUTIVE SESSION DECLARED AT 12:04PM**

President Palla called to order the Executive Session of the Kern Delta Board of Directors at 12:04PM regarding the following agenda items:

A. Conference with Legal Counsel – Existing Litigation – Closed Session Pursuant to Gov. Code § 54956.9(d)(1):

1. SWRCB Kern River.
2. California Department of Water Resources v. All Persons Interested in the Matter of the Authorization of Delta Program Revenue Bonds.

B. Conference with Legal Counsel – Significant Exposure to Litigation – Closed Session Pursuant to Gov. Code § 54956.9(d)(2),(e)(3):

1. Claims Filed by Stella Stokes and Curlee Bradford.

C. Conference with Real Property Negotiators Pursuant to Gov. Code Section 54956.8:

1. Potential Recharge Lands
  - a. District Negotiator: Steven Teglia

Executive Session was concluded at 12:44 PM.

### **REGULAR SESSION DECLARED AT 1:30PM**

President Palla called to order the Regular Session of the Kern Delta Board of Directors at 1:30PM.

Executive Session Report: District General Counsel Iger reported the following:

Item A (1): No reportable action.

Item A (2): Staff was given direction.

Item B (1): The Board unanimously voted to reject the claims of Stella Stokes and Curlee Bradford.

Item C (1): No reportable action.

## **INTRODUCTION OF GUESTS AND PUBLIC**

Mr. George Cappello announced his participation as a guest.

### **I. PUBLIC COMMENT**

None.

### **II. CONSENT CALENDAR**

M/S/C (Mendonca/Bidart) (yes-9, no-0): By roll call vote, the Board approved and authorized item II A through II C of the Consent Calendar.

- A. Approve Minutes of the Regular Board Meeting of August 18, 2020 (as amended with correction of the meeting date at the top of the minutes to reflect August 18, 2020.)
- B. Approve August/September 2020 District Construction and Water Banking Disbursements.
- C. Approve August/September 2020 District Accounts Payable.

### **III. BUSINESS AND FINANCE**

A. Business & Finance Committee – September 10, 2020.

Controller Duncan presented the August 2020 District and Water Banking Project Financial Statements, Treasurer's Reports, and District Delinquency Report. Mr. Duncan also reported that several Certificates of Deposit with LPL Financial had recently matured and the proceeds including applicable interest was returned to the District.

M/S/C (Antongiovanni/Tillema) (yes-9, no-0): By roll call vote, the Board approved the August 2020 District and Water Banking Project Financial Statements, Treasurer's Reports, and Delinquency Report as presented.

B. Review and Approval of District 2021 Budget.

Mr. Duncan presented the proposed District budget for 2021 for Board review and approval. Mr. Duncan stated the proposed budget had been reviewed by the Business and Finance Committee over the course of several meetings and the Committee was recommending approval as presented.

M/S/C/ (Antongiovanni/Bidart) (yes-9, no-0): By roll call vote, the Board approved a motion to approve the 2021 District Budget as presented.

C. Approval of Resolution 2020-07 Establishing District Assessments and Setting a Public Hearing Before the Kern Delta Board of Directors.

General Manager Teglia provided a brief overview of the Resolution which establishes the Districts property assessments for 2021 and sets a Public Hearing to be held during the Kern Delta Board of Directors meeting

of November 17, 2020. Mr. Teglia noted that the assessments have not changed from previous years. In addition, due to current concerns regarding COVID-19, the District included in the notice a virtual option to participate in the hearing.

M/S/C/ (Antongiovanni/Bidart) (yes-9, no-0): By roll call vote, the Board approved Resolution 2020-07 establishing the Districts property assessments for 2021 and setting the Public Hearing.

#### **IV. OPERATIONS AND PROJECTS**

##### **A. Operations and Projects Committee – September 1, 2020.**

Assistant General Manager Bellue briefly reported on the September Operations and Projects Committee Meeting including District maintenance activities and encroachment permit requests.

##### **B. District Office Expansion Project Update and Review and Approval of Project Change Order No. 1.**

Mr. Bellue and General Manager Teglia provided a brief update regarding the progression of the District office expansion project which is well underway. In addition, staff presented Project Change Order No. 1 which included cost proposals 2 – 6 from the contractor for a requested contract increase of \$13,905.16 and the addition of 4 contract days. Staff explained that continued refinement was requested related to cost proposal #3 (LED tape lighting for the Board Room) and staff expected a reduction of that line item and subsequently the total of Change Order No. 1. As such, staff requested approval of Change Order No. 1 increasing the contract total by a not to exceed amount of \$13,905.16 and adding 4 additional days of contract time.

*(following the meeting staff received the revised final amount for Change Order No. 1 of \$12,341.31. The final Change Order No. 1 increases the contract total of \$1,948,841.00 to \$1,961,182.31 and adds 4 additional contract days.)*

M/S/C/ (Palla/Mendonca) (yes-9, no-0): By roll call vote, the Board approved Kern Delta Office Expansion Project Change Order No. 1 increasing the contract amount by \$12,341.31 (revised total of \$1,961,182.31) including the addition of 4 contract days.

#### **V. KERN RIVER WATERMASTER**

A. – C. District Hydrographer Perry Hyatt reviewed and discussed the water supplies of the District for the month of August and early September. Approximately 16,928 acre-feet of water was delivered in District during August. In addition, Mr. Hyatt provided graphical information regarding depth to groundwater at various monitoring locations throughout the District. The September Kern River Watermaster Report and an expanded Isabella construction update provided by the Army Core of Engineers were also highlighted by staff.

#### **VI. MANAGER'S REPORT**

A. General Manager Teglia provided a brief verbal report on various District activities. The report included an update regarding the District's policy of passing through County Certificate of Redemption costs; the intent of staff to bring back draft committee meeting minutes to each District committee for review and approval; and Board concurrence on staff discussing potential updates to the District purchasing policy at a future meeting of the Business and Finance Committee.

B. External Agency Report - General Manager Teglia provided verbal comments supplementing a memorandum included in the Board package which provided information on the meetings and activities of



various external agencies. These agencies include, but are not limited to, the Kern County Water Agency (including the status of the Delta Conveyance Project and Contract Extension), Kern Fan Authority, Kern River Watershed Coalition Authority, Kern Groundwater Authority, Kern River Groundwater Sustainability Agency, the South Valley Water Resources Authority, the Water Association of Kern County, and the Integrated Regional Water Management Plan.

C. Water Banking Projects Report - General Manager Teglia provided verbal comments supplementing a memorandum included in the Board package which provided information on water banking projects on the Kern River Fan. Recovery within the Kern Fan area will continue at some level through September 2020. District recovery efforts ceased on August 27th. The CVC continues to run primarily in reverse flow to the California Aqueduct, with some forward flow deliveries to Arvin-Edison WSD and the Friant Kern Canal.

**IX. ATTORNEY'S REPORT**

None.

**X. BOARD MEMBER COMMENTS**

None.

**XI. ADJOURNMENT:**

There being no further business, President Palla adjourned the meeting at approximately 2:33 P.M.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Steven Teglia", written in a cursive style.

Steven Teglia, General Manager

Approved by Board,

A handwritten signature in black ink, appearing to read "Richard Tillema", written in a cursive style.

Richard Tillema, Board Secretary

**KERN DELTA WATER BANKING PROGRAM DISBURSEMENT RECOMMENDED  
BY THE OPERATIONS & PROJECTS COMMITTEE - OCTOBER 6, 2020**

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**VARIABLE**

CROSS LAND LEVELING	Land leveling - Romero Basins	88,248.75	2833
K.D.W.D.	Reimburse KDWD costs - Romero Basins	661.50	2834
KERN MACHINERY	Brake manual, push/pull cable	733.28	2835
KRAZAN & ASSOC.	Compaction testing - Romero Basins	895.50	2836
P.G.&E.	Well utilities	81,382.70	2837
WATER - WAYS	Coupler repair	758.26	2838
		\$ 172,679.99	

*These invoices came in after the October 6, 2020 Operations Projects Committee and will be reviewed at the October 15, 2020 Business and Finance Committee.*

KERN MACHINERY	Shaft shield, screws, rings, link chain	392.44	2839
O'REILLY'S	DEF fluid, cushions	44.35	2840
VOIDED	Voided	0.00	2841
QUINN	Teeth - backhoe	132.43	2842
QUINN	Tank - backhoe	279.35	2843
KERN MACHINERY	Axle - mower	2,741.09	2844
P.G.&E.	AE1 well utility	244.09	2845
P.G.&E.	BV2 well utility	57.70	2846
P.G.&E.	BV3 well utility	55.43	2847
P.G.&E.	BV4 well utility	51.82	2848
P.G.&E.	BV5 well utility	50.52	2849
P.G.&E.	FR2 well utility	50.44	2850
P.G.&E.	KB1 well utility	177.03	2851
P.G.&E.	KB3 well utility	786.55	2852
P.G.&E.	KB4 well utility	52.61	2853
P.G.&E.	KB6 well utility	52.98	2854
P.G.&E.	KI7 well utility	186.35	2855

\$5,355.18

**TOTAL      \$178,035.17**

**KERN DELTA WATER DISTRICT**  
**DISBURSEMENTS RECOMMENDED BY THE BUSINESS AND FINANCE COMMITTEE**  
**THURSDAY, OCTOBER 15, 2020**

**SEPTEMBER 2020 SUB TOTAL    \$44,835.09**

#	PAYEE	AMOUNT	CHECK
1	AMERIFUEL - fleet fuel	5,628.31	43948
2	KEVIN ANTONGIOVANNI - directors fee	200.00	43949
3	JOHN BIDART - directors fee	200.00	43950
4	BLACK/HALL CONSTRUCTION - office construction progress payment	283,956.09	43951
5	COFFEE BREAK SERVICE - coffee service	211.51	43952
6	DONALD COLLINS - directors fee	200.00	43953
7	COUNTRY TIRE - flat repair - #326	184.39	43954
8	ELLISON, SCHNEIDER & HARRIS - water rights, environmental regulatory matters	414.00	43955
9	GARY FACHIN - S/A refund overpayment	15.00	43956
10	FRANK AND SONS - windshield - #219	195.00	43957
11	FRED GARONE - directors fee	100.00	43958
12	H&S HOSE - air hose - floor jack	11.71	43959
13	HALL LETTER SHOP - envelopes	445.09	43960
14	HD SUPPLY - safety glasses	190.22	43961
15	KERN COUNTY RECORDER - redemption fee	660.00	43962
16	DAVID KAISER - directors fee	100.00	43963
17	KERN COUNTY WASTE - dumping fee	1,186.20	43964
18	K.C.W.A. - CVC - 4th qtr. power standby costs	4,616.46	43965
19	K.C.W.A. - Yuba Water Purchase Agreement	14,300.00	43966
20	K.D.W. BANKING PROJECT- CVC 4th qtr.	55,626.75	43967
21	KISCO SALES - roller assembly	176.85	43968
22	KRAZAN & ASSOC. - compaction test, inspections	2,397.00	43969
23	MARCOM GROUP - web site hosting	95.00	43970
24	JOEY MENDONCA - directors fee	200.00	43971
25	MOTOR CITY - filter, wiper blades - #101	73.87	43972
26	N.B. SALES - filter/regulator/gauge - cutting machine	79.67	43973
27	O'REILLY AUTO - sea foam, oil engine treatment - shop	164.37	43974
28	PACIFIC GAS & ELECTRIC - utilities - office, shop, parking lot lights	2,166.15	43975
29	RODNEY PALLA - directors fee	100.00	43976
30	PITNEY BOWES - postage meter lease	269.28	43977
31	PRINCIPAL LIFE INSURANCE - dental/vision 10/1 - 10/31/2020	4,476.83	43978
32	QUINN COMPANY, INC. - DEF system repair - #404, seal kit -grader	584.05	43979
33	SCHWEBEL PETROLEUM - hydraulic fluid	969.75	43980
34	SPECTRUM - internet access	3.16	43981
35	SAN JOAQUIN VALLEY AIR P.C.D. - annual permit renewal	640.00	43982
36	SPARKLE TEXTILE RENTAL SERVICE - laundry service	1,167.71	43983
37	ROSS E. SPITZER - directors fee	100.00	43984
38	SSD SYSTEMS - alarm monitoring	378.06	43985
39	STINSON STATIONERS - requisition books, sanitizing supplies	638.93	43986
40	TARGET SPECIALTY - Cheetah, Torpedo	9,496.77	43987
41	TARGET SPECIALTY - Roundup, Capstone	6,456.35	43988
42	RICHARD TILLEMA - directors fee	100.00	43989
43	TRANS-WEST - patrol	1,078.44	43990
44	UNITED AG BENEFIT TRUST - October 2020 medical insurance premium	28,950.73	43991

45	VERIZON - 8/18/20 - 9/17/20	663.20	43992
46	WATER WAYS, INC. - PVC end caps	12.01	43993
47	PAYROLL #16	64,000.48	WIRE
48	PAYROLL PEOPLE #16	147.78	WIRE
49	EDD-STATE P/R #16	4,366.31	WIRE
50	EFT-IRS P/R #16	22,714.92	WIRE
51	LINCOLN LIFE - retirement program	11,290.75	WIRE
52	LINCOLN LIFE - deferred comp.	3,806.00	WIRE
53	MASS MUTUAL - deferred comp.	1,840.00	WIRE
54	PAYROLL #17	63,811.13	WIRE
55	PAYROLL PEOPLE #17	145.74	WIRE
56	EDD-STATE P/R #17	4,215.51	WIRE
57	EFT-IRS P/R #17	21,961.65	WIRE
58	LINCOLN LIFE - retirement program	11,036.17	WIRE
59	LINCOLN LIFE - deferred comp.	3,526.00	WIRE
60	MASS MUTUAL - deferred comp.	1,840.00	WIRE
61	PAYROLL #18	64,515.28	WIRE
62	WORKLOGIC #18	2,421.00	WIRE
63	EDD-STATE P/R #18	4,529.05	WIRE
64	EFT-IRS P/R #18	21,858.20	WIRE
65	LINCOLN LIFE - retirement program	11,025.85	WIRE
66	LINCOLN LIFE - deferred comp.	3,526.00	WIRE
67	MASS MUTUAL - deferred comp.	1,840.00	WIRE
68	PAYROLL #19	68,556.11	WIRE
69	WORKLOGIC #19	41.00	WIRE
70	EDD-STATE P/R #19	3,799.49	WIRE
71	EFT-IRS P/R #19	20,935.13	WIRE
72	LINCOLN LIFE - retirement program	11,114.89	WIRE
73	LINCOLN LIFE - deferred comp.	3,526.00	WIRE
74	MASS MUTUAL - deferred comp.	1,840.00	WIRE

**SEPTEMBER 2020 TOTAL**

**\$908,944.44**

1	A-1 ANSWERING SERVICE - answering service	510.51	43994
2	ACWA/JOINT POWERS AUTHORITY - general liability insurance program	85,054.20	43995
3	AHERN RENTALS - backhoe rental	1,186.31	43996
4	AMERIFUEL - fuel 9/01/20 - 9/30/20	6,284.80	43997
5	B&B SURPLUS - beams, pipe	2,230.10	43998
6	BC LABORATORIES - water analysis	460.00	43999
7	BANK OF AMERICA - Cloud storage, service manual, lunch	43.48	44000
8	C.O.B. - 2nd qtr. April-June 2020 clearing account	46,957.55	44001
9	COFFEE BREAK - coffee service	153.72	44002
10	DONALD COLLINS - directors fee	100.00	44003
11	COUNTRY TIRE - flat repair - grader, #323	509.30	44004
12	DOWN'S - sloper rental	5,277.40	44005
13	ELITE SITE - monthly trailer rental	2,413.13	44006
14	FLOYD'S - oil, sharpen chains, bar oil, machete	308.91	44007
15	FRANK AND SONS - windshield - #101	225.00	44008
16	W.W. GRAINGER - gloves, cylinder, filters	92.96	44009
17	GREENFIELD COUNTY WATER - water service	68.02	44010
18	HERCULES INDUSTRIES - keys, locks	1,985.78	44011
19	HOME DEPOT - fuse	2.84	44012

20 K.C.W.A. - exchange KCWA/KDWD	1,400.00	44013
21 DAVID KAISER - directors fee	100.00	44014
22 K.C. WASTE - dumping fee	1,740.53	44015
23 LOWE'S - miter saw, lumber, PVC conduit	964.09	44016
24 McMURTREY & HARTSOCK	21,560.00	44017
State - \$420.00		
Other - \$21,140.00		
25 N.K.W.S.D. - November 1 weather mod.	8,500.00	44018
26 O'REILLY AUTO - copper plug, filter	5.61	44019
27 PRICE DISPOSAL - dumping fee	13.22	44020
28 PACVAN INC. - office container rental	795.64	44021
29 PROGRESSIVE TECHNOLOGY - computer system support	3,105.14	44022
30 SULLY AND SON - hose, hose assembly	122.88	44023
31 SPARKLE - laundry, towels, rugs	855.14	44024
32 ROSS E. SPITZER - directors fee	100.00	44025
33 THE BAKERSFIELD CALIFORNIAN - publish resolution	1,580.88	44026
34 TARGET - Roundup, Torpedo, Cheetah	18,272.70	44027
35 TRANS-WEST - patrol	1,726.45	44028
36 UNITED AG - November 2020 medical insurance premium	28,950.73	44029
37 VACUSWEEP - parking lot maintenance	300.00	44030
38 WEST COAST MAINTENANCE - cleaning service	685.00	44031
39 WESTAIR GASES - cylinder rental, grinding wheels	720.49	44032
40 WATERMAN VALVES - galvanized gates (4)	4,971.90	44033
41 ZENITH INSURANCE - Workman's comp. insurance premium	4,962.00	44034
42 KC RECORDER - lien releases	80.00	44035
<b>OCTOBER SUB TOTAL</b>	<b><u>\$255,376.41</u></b>	

KERN DELTA WATER DISTRICT & KDWB  
 Anticipated Payments - Month End - October 2020

<b>Payee</b>	<b>Reason</b>	<b>Approximate amount of Payment</b>
ADMINISTRATION SOLUTIONS	Supplemental medical benefit administration	620.00
ADVANCED DIST.	Truck maintenance/repair	198.92
AMERIFUEL	Gas/Diesel fuel - 10/1/20 - 10/15/20	5,883.60
BOARD OF DIRECTORS	Meetings attended	1,300.00
BUD'S BREAKS	Trailer repair	1,830.56
BLACK/HALL CONSTRUCTION	Construction progress billing	283,956.09
COUNTRY TIRE	Vehicle tires	276.65
FLOYD'S	Canal maintenance	35.86
HALL LETTER SHOP	Stationary	445.00
HD SUPPLY	Shop supplies	190.00
JERRY & KEITH'S	Truck maintenance/repair	31.01
JIM BURKE	Truck maintenance/repair	1,234.31
KRAZAN & ASSOC	Construction Testing/Inspection	2,397.00
LINCOLN FINANCIAL	Pension/deferred comp contributions	13,984.00
MARCOM GROUP	District web site support	95.00
MASSACHUSETTS MUTUAL	Deferred compensation	1,840.00
MOTOR CITY	Truck maintenance/repair	73.87
O'REILLY'S	Shop supplies	76.49
P.G.&E.	District office utilities	2,564.05
PRINCIPAL LIFE INS.	Dental/vision/life insurance premium	4,476.83
QUINN	Motorgrader maintenance/repair	292.80
SCHWEBEL PETROLEUM	Oil/lubricants	969.75
SSD SYSTEMS	Office alarm monitoring	378.06
SPARKLE	Uniform/laundry service	1,146.21
STINSON'S	Office supplies	708.49
VERIZON	Operations phones and cellular service	662.28
WESTAIR	Welding supplies	150.76
		<hr/> 325,817.59 <hr/>

## SUN OUTDOOR LEASE AGREEMENT

1. This Lease Agreement ("Lease") is effective November 1, 2020 and entered into between Kern Delta Water District, a California Water District formed and organized pursuant to Division 13 of the California Water Code, ("Lessor") and SUN OUTDOOR ADVERTISING, LLC, a Washington limited liability company ("Lessee"). Lessor hereby leases to Lessee the real estate commonly known as the Eastside Canal Right-of-Way, North of Hwy. 58 and South of E. Brundage Ln. located East of Bakersfield in Kern County, California ("Property"). An accurate map depicting the Property is identified as Exhibit "A" and attached to this Lease. The Property is leased for the purpose of erecting, maintaining, reconstructing, modernizing, operating, improving, supplementing, posting, painting, illuminating, repairing, repositioning and/or removing outdoor advertising structures, including, without limitation, fixture connections, electrical supply and connections, electronic displays, digital panels, signs, copy, any equipment and accessories and any appurtenances attached thereto as Lessee may place thereon (collectively, the "Structures" ). Lessor hereby grants to Lessee, and any agent of Lessee, and/or any subcontractor working on behalf of Lessee, the free right of ingress and egress over, under and across the Property for the purpose of operating and maintaining the Structure, including all necessary rights of ingress and egress for electrical service and other utilities to serve the Structure. Lessee may license the use of the Structures, or any portion thereof, for any lawful purpose
2. This Lease shall be in effect for an initial term of Twenty (20) years, commencing upon completion of construction of the newly proposed Structure and connection to necessary utilities.
3. Lessee shall pay Lessor rent in the amount of Two Thousand Four Hundred and 00/100 dollars (\$2,400.00) per year for the first five (5) years of the initial term, payable monthly. From year six (6) through year ten (10), Lessee agrees to pay to Lessor rent in the amount of Three Thousand and 00/100 dollars (\$3,000.00) per year, payable monthly. During the initial term, beginning at the end of year ten and thereafter, the rent amount will increase by ten percent (10%) at the end of every five (5) year period.
4. This Lease shall continue in full force and effect, for its initial term stated above and thereafter for one (1) additional twenty (20) year term, on the same terms and conditions as contained herein, unless terminated prior to the end of the initial term upon written notice by Lessee to Lessor by certified mail before the end of such initial term.
5. Lessee is the owner of the Structures and has the right to remove the Structures at any time or within one hundred twenty (120) days following the termination of this Lease. If for any reason, Lessee's Structures are removed, materially damaged or destroyed, all rent payments shall cease until the Structures are rebuilt or repaired. If the Structures are removed for any reason, the above-ground portions of the Structures need be removed. Lessee has the sole right to make any necessary applications with, and obtain permits from, governmental entities for the construction, use and maintenance of the Structures, and Lessor hereby grants Lessee a limited power of attorney for this purpose. All such permits shall remain the exclusive property of Lessee. Lessee shall have no obligation to pursue any zoning matter or to continue to maintain any permit. Any such action shall be at Lessee's option. By this Lease, Lessor grants and cedes to Lessee all rights granted to Lessor by the County of Kern under Precise Development Plan No. 11 (Zone Map No. 124-1).
6. Lessor and its agents, employees or other persons acting on Lessor's behalf, shall not place or maintain any object on the Property or any neighboring property owned or controlled by Lessor which, in Lessee's sole opinion, would obstruct the view of the advertising copy on the Structures. If Lessor fails to remove the obstruction within five (5) days after notice from Lessee, Lessee may in its sole discretion: (a) remove the obstruction at Lessor's expense; (b) cancel this Lease, remove any or all of the Structures, and receive all pre-paid rent for any unexpired term of this Lease; or (c) reduce the rent to One Hundred Dollars (\$100.00) per year while the obstruction continues. Lessee may trim any trees and vegetation currently or in the future on the Property and on any neighboring property owned or controlled by the Lessor as often as Lessee in its sole discretion deems appropriate to prevent obstructions.
7. If, in Lessee's sole opinion: (a) the view of the Structures' advertising copy becomes entirely or partially obstructed, (b) electrical service is unavailable; (c) the Property cannot safely be used for the erection or maintenance of the Structures for any reason; (d) the Property becomes unsightly; (e) there is a diversion, reduction or change in directional flow of traffic from the street or streets currently adjacent to or leading to or past the Property, (f) the Structures' value for advertising purposes is diminished, impaired or undesirable; (g) Lessee is unable to obtain or maintain any necessary permit for the erection, use and/or maintenance of the Structures; or (h) the Structures' use is prevented or restricted by law, or Lessee is required by any governmental entity to reduce the number of billboards operated by it in the city, county or state in which the Structures are located; then Lessee may immediately at its option either: (i) reduce rent in direct proportion to the loss suffered; or (ii) cancel this Lease and receive all pre-paid rent for any unexpired term of this Lease. In addition, if Lessee is prevented from illuminating its signs by law, or other cause, the rent shall be reduced by one- third for such period of non-illumination.

8. If the Structures or the Property, or any part thereof, is condemned by proper authorities; taken with or without the exercise of eminent domain, whether permanently or temporarily; or any right-of-way from which the Structures are visible is relocated, Lessee shall have the right to relocate the Structures on Lessor's remaining property to a location that is acceptable to Lessor or to terminate this Lease upon not less than thirty (30) days' notice and to receive all pre-paid rent for any unexpired term of this Lease. Lessee shall be entitled to all compensation and other remedies provided by law, including, without limitation, just compensation for the taking of the Structures and Lessee's leasehold interest in this Lease, and/or relocation assistance. Lessor shall assert no rights in such interests. If condemnation proceedings are initiated, Lessor shall use its best efforts to include Lessee as a party thereto. No right of termination set forth anywhere in this Lease may be exercised prior to the sale to any entity with the power of eminent domain or by or for the benefit of any entity with the power of eminent domain.

9. Lessor represents that it is the owner (or owner's authorized agent) of the Property and has the full and complete authority to enter into this Lease.

10. Lessee shall indemnify and hold Lessor harmless from all injuries to the Property or third persons caused by Lessee, Lessee's employees, agents, licensees and contractors. Lessor shall indemnify and hold Lessee harmless from all injuries to Structures or third persons caused by Lessor, Lessor's employees, agents, licensees and contractors.

11. This Lease is binding upon the heirs, assigns and successors of both Lessor and Lessee.

12. Any notice to any party under this Lease shall be in writing by certified or registered mail, and shall be effective on the earlier of (a) the date when delivered and receipted for by a person at the address specified within this Lease, or (b) the date which is three (3) days after mailing (postage prepaid) by certified or registered mail, return receipt requested, to such address; provided that in either case notices shall be delivered to such other address as shall have been specified in writing by such party to all parties hereto prior to the notice being delivered.

13. Neither Lessor nor Lessee shall be bound by any terms, conditions or oral representations that are not set forth in this Lease. This Lease represents the entire agreement of Lessee and Lessor with respect to the Structures and the Property and supersedes any previous agreement. Lessor hereby grants Lessee all rights necessary to record a memorandum of this Lease without Lessor's signature, including a limited power of attorney for such purpose. Lessor understands that the terms of this Lease are proprietary and confidential and Lessee would be damaged by the unauthorized disclosure of the terms. Therefore, Lessor agrees not to disclose the terms to any third party. Such agreement shall survive the termination of this Lease.

Date Accepted: \_\_\_\_\_

Lessee:

Sun Outdoor Advertising LLC  
Attn: Real Estate Manager  
11221 Pacific Highway SW  
Lakewood, WA 98499  
Tel: (253) 581-6611  
Fax: (253) 581-6612

Signed: \_\_\_\_\_  
Danny R. Schnitzer, President

Lessor:

Kern Delta Water District  
Address: 501 Taft Highway  
Bakersfield, CA 93307  
Phone: (661)834-4656  
SS or Tax ID#: 95-6280267

Signed: \_\_\_\_\_  
Steven L. Teglia, General Manager





CA-58

Eastside Canal Billboard.

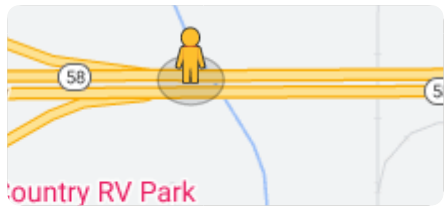


Image capture: May 2019 © 2020 Google

Bakersfield, California



Street View



Tab III





**DRAFT MINUTES OF THE BUSINESS & FINANCE COMMITTEE**  
**Thursday, October 15, 2020**

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DIRECTORS PRESENT VIA VIDEO: Antongiovanni, Bidart, Garone, Tillema

OTHERS PRESENT: From KDWD: General Manager Teglia, Water Resources Manager Mulkay, Assistant General Manager Bellue, Controller Duncan, General Counsel Iger, Administrative Assistant Rodriguez.

**1. CALL TO ORDER**

Chair Antongiovanni called the meeting to order at 10:02 A.M.

**2. PUBLIC COMMENTS**

None

**3. APPROVAL OF PREVIOUS COMMITTEE MEETING MINUTES**

- a. **M/S/C (Bidart/Antongiovanni) (yes – 4, no – 0):** By roll call vote, the Business & Finance Committee approved the minutes of the Business & Finance Committee meeting held on September 10, 2020.

**4. FINANCIAL REPORTS AND ACCOUNTS PAYABLE**

- a.- b. Approval of September and October 2020 Accounts Payable and September 2020 Financial Reports.

**M/S/C (Bidart/Tillema) (yes – 4, no – 0):** By roll call vote, the Business & Finance Committee recommends the Board approve the September and October 2020 District Accounts Payable Invoices, the anticipated October 2020 end of month Accounts Payable Invoices, and the September 2020 District and Water Banking Project Financial Statements, Treasurer's Reports, and Delinquency Report as presented.

**5. DISTRICT CONTROLLERS REPORT**

- a. Staff provided a brief update regarding open enrollment in November for district employee health benefits.

**6. ADJOURN**

Chair Antongiovanni adjourned the meeting at 10:38A.M.

Respectfully submitted,

---

Kevin Antongiovanni – Chair

**Kern Delta Water District  
Balance Sheet  
As of September 30, 2020**

<b><u>Assets</u></b>	<b><u>September 30, 2020</u></b>	<b><u>August 31, 2020</u></b>	<b><u>Month-to- Month Variance</u></b>
<b>Current Assets:</b>			
Cash & Securities in Bank	\$ 22,259,082	\$ 22,361,608	\$ (102,526)
Accounts Receivable	370,603	575,497	(204,894)
Due From KDWP	-	-	-
Inventories & Prepaid Expenses	89,511	119,134	(29,623)
Total Current Assets	<u>22,719,196</u>	<u>23,056,239</u>	<u>(337,043)</u>
<b>Fixed Assets</b>			
District Structures, Rights of Way	\$ 13,674,758	\$ 13,674,758	\$ -
Construction in Progress	747,956	462,769	\$ 285,187
CVC Expansion	8,622,495	8,622,495	-
Machinery & Equipment	1,526,630	1,526,630	-
	<u>24,571,839</u>	<u>24,286,652</u>	<u>285,187</u>
Accumulated Depreciation	<u>(6,536,284)</u>	<u>(6,501,284)</u>	<u>(35,000)</u>
Net Fixed Assets	<u>18,035,555</u>	<u>17,785,368</u>	<u>250,187</u>
Investment in Joint Powers Authority	\$ 27,482	\$ 27,482	\$ -
Investment in MET Program	8,890,130	8,890,130	-
Total Assets	<u><u>\$ 49,672,363</u></u>	<u><u>\$ 49,759,220</u></u>	<u><u>\$ (86,857)</u></u>
<b><u>Liabilities &amp; Equity</u></b>			
<b>Current Liabilities:</b>			
Trade Accounts Payable	\$ 238,211	\$ 430,456	\$ (192,245)
Accrued Liabilities	129,354	160,717	(31,363)
Total Current Liabilities	<u>367,565</u>	<u>591,172</u>	<u>(223,608)</u>
<b>Long-Term Liabilities:</b>			
Bonds & COP Borrowing	\$ 4,230,000	\$ 4,230,000	\$ -
Bonds Premium & Costs	168,032	168,032	-
Total Long-Term Liabilities	<u>4,398,032</u>	<u>4,398,032</u>	<u>-</u>
Total Liabilities	<u>4,765,596</u>	<u>4,989,204</u>	<u>(223,608)</u>
<b>Equity:</b>			
Equity From Past Years	\$ 44,371,448	\$ 44,371,448	\$ -
Accumulative Equity - Current Year	535,319	398,568	136,751
Total Liabilities & Equity	<u><u>\$ 49,672,363</u></u>	<u><u>\$ 49,759,220</u></u>	<u><u>\$ (86,857)</u></u>

**Kern Delta Water District**  
**Cash Variance Analysis**  
**September 30, 2020**

**Cash Received:**

Accounts Receivable Collections	541,780
Share of Property Tax Receipts	370,455
Interest Received	85
	<hr/>
	912,320
	<hr/>

**Cash Disbursed:**

Accounts Payable Paid	(764,248)
Payrolls Paid	(250,598)
	<hr/>
	(1,014,846)
	<hr/>

<b>Net positive/(negative) variance</b>	<hr/>
	<b>(102,526)</b>
	<hr/>

**Kern Delta Water District**  
**Accounts Receivable Variance Analysis**  
**September 30, 2020**

**Revenue Added to Accounts:**

Water Sales - Utility Water	142,959
Water Sales - State Water	5,777
Seepage Revenue	179,130
District Wells Revenue	462
Other Misc Revenues	8,557
	<hr/>
	336,885
	<hr/>

**Cash Received on Account:**

Water Payments	(360,712)
Misc Payments	(174,188)
Assessments Payments	(6,880)
	<hr/>
	(541,779)
	<hr/>

<b>Net positive/(negative) variance</b>	<hr/>
	<b>(204,894)</b>
	<hr/>

**Kern Delta Water District  
Inventory/Prepays Variance Analysis  
September 30, 2020**

**Additions to Accounts:**

Weed Control Chemicals Purchased	15,953
Prepaid Additions	-
	<hr/>
	15,953
	<hr/>

**Usage/Amortization:**

Chemicals Consumed During Month	(37,637)
Amortization of Prepaid Accounts	(7,939)
	<hr/>
	(45,576)
	<hr/>

<b>Net positive/(negative) variance</b>	<hr/>
	<b>(29,623)</b>
	<hr/>

**Kern Delta Water District**  
**Operating Results - Year To Date**  
**Through the Month Ended September 30, 2020**

	Actual Current Month	Actual Year to Date	Annual Budget	YTD as % of Annual Budget (Target is 67%)	Budget Remaining
<b>REVENUES:</b>					
State water sales	\$ 5,777	\$ 843,625	\$ 996,706	85%	\$ 153,081
Utility water sales	142,849	1,678,562	3,214,297	52%	1,535,735
COB/Cal Water/GCWD Revenue	179,130	669,014	816,000	82%	146,986
Equalization	-	9,147	9,147	100%	0
Assessments	(1)	1,013,053	1,014,767	100%	1,714
Share of county tax	370,455	2,391,749	4,316,386	55%	1,924,637
ILRP Contract Revenue	-	-	-		-
Interest income	85	279,749	320,000	87%	40,251
Other income	9,029	182,041	175,000	104%	(7,041)
Water Transfer Charges	-	548,250	731,000	75%	182,750
Water Banking Expense Reimbursement	-	-	150,000	0%	150,000
<b>Total income</b>	<b>\$ 707,324</b>	<b>\$ 7,615,191</b>	<b>\$ 11,743,303</b>	<b>65%</b>	<b>\$ 4,128,112</b>
<b>EXPENDITURES:</b>					
<b>Source of supply:</b>					
State water costs	\$ -	\$ 2,492,870	\$ 2,725,000	91%	\$ 232,130
Exchange fees	-	-	76,500	0%	76,500
Watermaster, City, Isabella	46,958	155,785	361,400	43%	205,615
Miscellaneous source costs	14,300	43,030	500,000	9%	456,970
<b>Total Source of supply</b>	<b>\$ 61,258</b>	<b>\$ 2,691,685</b>	<b>\$ 3,662,900</b>	<b>73%</b>	<b>\$ 971,215</b>
<b>Transmission and Distribution:</b>					
Labor	\$ 211,255	\$ 1,817,763	\$ 2,217,409	82%	\$ 399,646
Employee benefits	61,000	549,538	741,811	74%	192,273
Maintenance & Repairs	79,694	690,684	1,141,803	60%	451,119
<b>Total Transmission and Distribution</b>	<b>\$ 351,949</b>	<b>\$ 3,057,985</b>	<b>\$ 4,101,023</b>	<b>75%</b>	<b>\$ 1,043,038</b>
<b>Administrative &amp; other costs:</b>					
Engineering consultant	\$ -	\$ 3,300	\$ 50,000	7%	\$ 46,700
Legal consultants	(2,310.00)	101,296.67	250,000	41%	148,703
Special legal/engineering	24,284.00	164,950.81	100,000	165%	(64,951)
Kern River GSA	-	-	200,000	0%	200,000
Insurance	12,457.34	116,251.43	163,663	71%	47,412
Office operations	22,790.86	246,688.77	327,313	75%	80,624
Special expenses (see Footnote below):	60,703.21	243,712.81	557,518	44%	313,805
Construction Expense - Peripheral	4,440.67	31,860.26	-		
Bond Interest expense	-	76,849.33	138,863	55%	62,014
Depreciation	35,000.00	345,291.73	492,000	N/A	146,708
<b>Total administrative &amp; other</b>	<b>\$ 157,366</b>	<b>\$ 1,330,202</b>	<b>\$ 2,279,357</b>	<b>58%</b>	<b>\$ 981,015</b>
<b>Total expenses</b>	<b>\$ 570,573</b>	<b>\$ 7,079,872</b>	<b>\$ 10,043,280</b>	<b>70%</b>	<b>\$ 2,963,408</b>
<b>Net Fav/(Unfav) Operating Results</b>	<b>\$ 136,751</b>	<b>\$ 535,319</b>	<b>\$ 1,700,023</b>		<b>\$ 1,164,704</b>



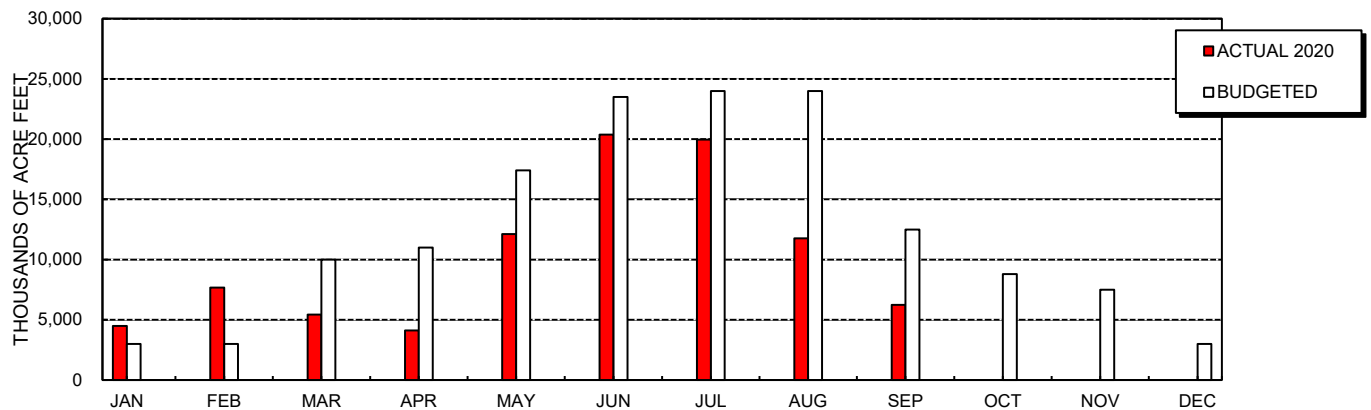
# TREASURER'S REPORT

**September 2020**

	2020	2019	2018	2017
Cash & Securities on hand - September 1	\$ 22,361,608	\$ 18,113,596	\$ 16,392,230	\$ 15,050,068
Add: September receipts	912,320	1,293,780	1,205,537	811,880
Less: September disbursements	1,014,846	915,704	610,429	1,193,696
<b>Cash &amp; Securities on hand - September 30, 2020</b>	<b>\$ 22,259,082</b>	<b>\$ 18,491,672</b>	<b>\$ 16,987,339</b>	<b>\$ 14,668,252</b>
<b>Petty Cash</b> <span style="float: right;"><b>\$ 500</b></span> <b>Citizens Business Bank</b> <span style="float: right;"><b>523,520</b></span> <b>Kern County Treasury</b> <span style="float: right;"><b>20,985,061</b></span> <b>CBB Trust/LPL Financial</b> <span style="float: right;"><b>750,000</b></span> <span style="float: right;"><b>\$ 22,259,082</b></span>				
<b>Restricted Reserves:</b>				
Restricted Reserve Fund - General Manager	\$ (300,000)	\$ (300,000)	\$ -	\$ -
<b>Unrestricted Reserves:</b>				
Employee Medical/Dental Benefits	(108,134)	(173,584)	(204,648)	(233,025)
Pipeline Maintenance	(213,845)	(213,845)	(213,845)	(213,845)
Water Rights Protection & Litigation Reserve	(3,066,311)	(3,251,339)	(3,310,844)	(3,432,961)
2015-A COP Reserve Fund	(4,230,000)	(372,600)	(372,600)	(372,600)
Operating Reserve	(5,000,000)			
Capital Reserve	(2,000,000)			
Groundwater Program Reserve	(3,500,000)			
<b>Total Reserves</b>	<b>\$ (18,418,290)</b>	<b>\$ (4,311,368)</b>	<b>\$ (4,101,937)</b>	<b>\$ (4,252,431)</b>
<b>Cash Available - September 30, 2020</b>	<b>\$ 3,840,792</b>	<b>\$ 14,180,305</b>	<b>\$ 12,885,402</b>	<b>\$ 10,415,821</b>

**Kern Delta Water District  
Monthly Water Sales Volume  
in Acre Feet**

	2019	2020										
	Actual (Accum- ulated)	Budgeted		Actual								
		Monthly	(Accum- ulated)	Monthly				Accumulated				% of Budget
				Utility	State	Contracts	Total	Utility	State	Contracts	Total	
JAN	5,974	3,000	3,000	4,371	0	117	4,488	4,371	0	117	4,488	150%
FEB	8,134	3,000	6,000	7,356	0	325	7,681	11,727	0	442	12,169	203%
MAR	14,331	10,000	16,000	5,018	0	413	5,431	16,744	0	855	17,600	110%
APR	30,287	11,000	27,000	3,719	0	394	4,114	20,464	0	1,250	21,713	80%
MAY	45,512	17,400	44,400	11,042	700	384	12,126	31,506	700	1,634	33,840	76%
JUN	72,976	23,500	67,900	12,816	7,151	413	20,379	44,322	7,850	2,046	54,218	80%
JUL	101,995	24,000	91,900	17,539	2,128	297	19,964	61,861	9,979	2,343	74,182	81%
AUG	127,068	24,000	115,900	10,285	1,193	278	11,756	72,146	11,171	2,621	85,938	74%
SEP	141,308	12,500	128,400	5,951	57	232	6,240	78,097	11,228	2,854	92,178	72%
OCT	150,924	8,800	137,200				0					
NOV	156,390	7,500	144,700				0					
DEC	157,506	3,000	147,700				0					



**KERN DELTA WATER DISTRICT**

Aged Accounts Receivable

Past Due Accounts

October 20, 2020

<b>Account</b>	<b>Name</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>Over 90 Days</b>	<b>Total Past Due</b>
105	Antongiovanni, Ugo	133.51	3,144.13	5,756.51	-	9,034.15
592	Costa, Joe & Mary	562.00	-	-	-	562.00
887	Forney, Bruce	5.01	4.93	4.87	324.36	339.17
3616	Howell, Kenneth & Sylvia	143.48				143.48
3713	Cruz, Juan Carlos & Nancy	218.16	73.57			291.73
4565	Wible Ave LLC	272.34	-	-	-	272.34
5648	Willow Avenue Investments	1,719.82	-	-	-	1,719.82
	OTHER	342.80	109.56	-	-	452.36
		3,397.12	3,332.19	5,761.38	324.36	12,815.05

**Kern Delta Water Banking Project  
Balance Sheet  
September 30, 2020**

**Assets**

	<b>September 30, 2020</b>	<b>August 31, 2020</b>	<b>Month-to- Month Variance</b>
<b>Current Assets:</b>			
Cash & Securities in Bank	\$ 13,697,846	\$ 13,404,509	\$ 293,337
Due from Metropolitan Water District	-	892,671	(892,671)
Inventory and Prepaids	95,635	95,635	-
Total Current Assets	\$ 13,793,481	\$ 14,392,815	\$ (599,333)
<b>Fixed Assets at cost less depreciation:</b>			
All structures	\$ 58,920,642	\$ 58,915,642	\$ 5,000
Machinery and equipment	418,064	418,064	-
	\$ 59,338,706	\$ 59,333,706	\$ 5,000
Less: Accumulated depreciation	(10,073,484)	(9,979,484)	(94,000)
Total fixed assets	\$ 49,265,222	\$ 49,354,222	\$ (89,000)
Total Assets	<u>\$ 63,058,703</u>	<u>\$ 63,747,037</u>	<u>\$ (688,333)</u>

**Liabilities & Equity**

<b>Current Liabilities:</b>			
Trade accounts payable	\$ -	\$ -	\$ -
Total current liabilities	\$ -	\$ -	\$ -
<b>Equity:</b>			
Contributions to equity - KDWD (Land purchases)	\$ 8,890,130	\$ 8,890,130	\$ -
Equity from past years	55,876,911	55,876,911	-
Equity enhanced this year	(1,708,338)	(1,020,005)	(688,333)
Total Equity	\$ 63,058,703	\$ 63,747,037	\$ (688,333)
Total Liabilities & Equity	<u>\$ 63,058,703</u>	<u>\$ 63,747,037</u>	<u>\$ (688,333)</u>

**Kern Delta Water Banking Project**  
**Cash Variance Analysis**  
**September 30, 2020**

**Cash Received:**

Received from MWD	892,671
Interest Received	34
	<hr/>
	892,705

**Cash Disbursed:**

Accounts Payable Paid	(599,368)
	<hr/>
	(599,368)

	<hr/>
<b>Net positive/(negative) variance</b>	<b>293,337</b>
	<hr/>

**Kern Delta Water Banking Project  
Statement of Operating Results  
Through the Period Ended September 30, 2020**

	<u>Current Month</u>	<u>Year to Date</u>
<b>REVENUE:</b>		
MET Revenues	\$ -	\$ 892,671
Water Sales	-	-
Interest Income	34	139,122
	<hr/>	<hr/>
Total of all income	\$ 34	\$ 1,031,793
 <b>Transfer and Exchange Fees:</b>		
Exchange Fees	\$ -	\$ 7,400
Wheeling Fees	-	-
	<hr/>	<hr/>
Total Exchange Fees	\$ -	\$ 7,400
 <b>Other Costs</b>		
Power - KB1-8, KDW1-2	\$ 158,377	\$ 841,065
Power - AE1, AE2, AE3, AE4	18,480	168,320
Power - BV1, BV2, BV3, BV4, BV5	102,957	170,548
CVC Operating Costs	220,955	547,069
CVC Power Costs	1,552	4,633
O&M Spreading	90,564	137,924
Other O&M & Miscellaneous Costs	1,483	17,173
Legal & Accounting	-	-
Depreciation	94,000	846,000
	<hr/>	<hr/>
Total Other Costs	\$ 688,368	\$ 2,732,731
 <b>Total all expenses</b>	<hr/>	<hr/>
	\$ 688,368	\$ 2,740,131
 <b>Favorable/(Unfavorable) Operating Results</b>	<hr/>	<hr/>
	\$ (688,333)	\$ (1,708,338)

**KERN DELTA WATER BANKING PROJECT**

**TREASURER'S REPORT**

**September**

	2020	2019	2018	2017
Cash & Securities on hand - September 1, 2020	\$ 13,404,509	\$ 9,157,355	\$ 9,648,031	\$ 9,367,560
Add: September receipts	1,892,705	667,846	257,289	429,950
Less: September disbursements	1,599,368	428,166	428,865	867,129
<b>Cash &amp; Securities on hand - September 31, 2020</b>	<b>\$ 13,697,846</b>	<b>\$ 9,397,035</b>	<b>\$ 9,476,455</b>	<b>\$ 8,930,381</b>
<b>Citizens Business Bank</b> \$      312,474				
<b>LPL Financial</b> 250,000				
<b>Kern County Treasury</b> 13,135,372				
<b>\$      13,697,846</b>				
Restricted Cash included in above:				
OM&R Spreading	\$ 896,357	\$ 584,969		
OM&R Extraction	(107,951)	(137,772)		
OM&R CVC/Delivery Canal	(3,534,492)	(3,102,084)		
Take/Put Fees	(5,160,938)	(1,961,126)		
Total Restricted	\$ (7,907,023)	\$ (4,616,013)		
Cash Available for Construction - September 31, 2020	<u>\$ 5,790,823</u>	<u>\$ 4,781,021</u>		

# Tab IV







**DRAFT MINUTES OF THE  
OPERATIONS AND PROJECTS COMMITTEE  
Tuesday, October 6, 2020**

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**Tuesday, October 6, 2020, 10:33 A.M. – 11:05 A.M.**

DIRECTORS PRESENT: Collins, Kaiser, Spitzer (all by call in).

OTHERS PRESENT: Assistant General Manager Bellue, General Manager Teglia,  
Water Resources Manager Mulkay, General Counsel Iger, Controller Duncan,  
Administrative Assistant Rodriguez.

**1. PUBLIC COMMENTS**

None.

**2. ASSISTANT GENERAL MANAGER'S REPORT:**

- a. Approve minutes of the Operations and Projects Committee Meeting of September 1, 2020: M/S/C (Spitzer/Kaiser) (yes-3, no-0): By roll call vote, the Committee approved the minutes of the September 1, 2020 Operations and Projects Committee Meeting as amended (change the signature line from David L. Kaiser to Donald Collins).
- b. Encroachment Permit Update: Mr. Bellue presented two encroachment permits, one of which included the abandonment of a turnout structure located on the pipelined portion of the Stine Canal at the southeast corner of Panama Lane and Gosford Road.
- c. District Facility and Banking Maintenance: Mr. Bellue discussed several items of note including improvements planned for the Romero Basins, brush removal on the East Branch Canal, weir reconstruction on the Buena Vista Canal and repositioning a turnout-screen that may have been tampered with.
- d. District Office Construction Update: Mr. Bellue provided an update on the status of the District office expansion project.
- e. Approve Branch 1 Canal Pipeline Request at Hosking Road and Hughes Lane: Staff received direction to continue working on the project and bring back the final plans and agreements to the committee for approval.
- f. Loyola Properties Monitoring Well Request: Staff is working to develop a protocol for accepting inactive wells into the District's monitoring program. Once complete the protocol and disposition of this request will be brought back to the Committee for review and approval, likely at the next meeting.
- g. Water Banking Construction and Power Invoices: M/S/C (Kaiser/Spitzer) (yes-3, no-0): By roll call vote, the Committee recommends the Board approve payment of Water

Banking and Power Invoices totaling \$172,679.99 (plus additional PG&E well energy costs). See the attached October 20, 2020 Invoice and Disbursements memo to the Board for a full breakdown of the Invoices.

Meeting was adjourned at 11:05 A.M.

Respectfully Submitted,

---

Donald Collins – Chair

## Maintenance Report

September 2020

1. **Structure and Turnout Repairs.** The following jobs were completed during the month;
  - a. Clean bottom of BV Canal with rental Dozer
  - b. Reposition dislodged trash screen on Kern Island Gate 3-00-107
2. **Shop.** The following jobs were completed during the month;
  - a. Normal service and repairs on District vehicles and equipment
  - b. Service and repair air brake system on truck # 322
  - c. Replace bent axle on Trailer # T3 (spray trailer)
  - d. Repair Motor Grader sloper attachment
  - e. Replace braker in shop electrical panel
  - f. Service temporary office and shop air conditioning systems
3. **District Wells.**
  - a. Monthly service and inspection of all District Wells is month.
  - b. Clean pads and service wells as needed
4. **Motor Grader # 403** The following canals were sloped and roads graded;
  - a. Finish the Stine Canal and begin sloping at the head of BV Canal
5. **Backhoe # 402** The following jobs were completed during the month;
  - a. Spot clean areas of BV Canal for turnout repair
6. **Backhoe # 404** The following jobs were completed this month;
  - a. Removed debris from the Eastside, KI, Central, Stine, Branch 1, and East Branch
  - b. Remove tumbleweeds along the Central and Eastside Canals
7. **Weed Spraying.** The following canals were sprayed during the month;
  - a. Stine, Branch 2, Randal, Farmers, Central, Section 5 Ditch, and Eastside Canal
8. **Aquatic Treatments.** Treatments including surface spraying for algae mats and injection treatments for control of algae or vascular aquatic weeds; were made in the Farmers, Central, 13 Ditch and Kern Island Canals
9. **Rodent Control**
  - a. Bait Stations were frequently checked and all locations were filled throughout the District this month
10. **Trash Removal.**
  - a. Daily cleaning of crossings, weirs, and screens on all canals
  - b. Remove debris from the Kern Island, Eastside, Central, Branch 1 and haul to the landfill
  - c. Remove brush on the Stine Canal and on East Branch at P and Terrace Way
11. **Fence Repairs.** Fences and Gates were repaired at the following locations;
  - a. Kern Island – 30<sup>th</sup> St., 34<sup>th</sup> St. and Columbus
  - b. Branch 1 – Hughes, White Lane and McCourry St.
  - c. Central – Terrace Way, South Gate and Wilson

- d. Stine – California Ave, Chester Lane, Garnsey, Gosford, District and Ash
- e. Eastside – 30th, 34th St., Columbus, Kentucky, Lake St.

**12. Safety Meetings.** Weekly tailgate safety topics were;

- a. House Keeping
- b. Workstation Risk and Hygiene
- c. Homeless Encampment Cleanup
- d. Near Misses - Chain Saw Use

**13. Water Banking Activities.** The following jobs were completed during the month;

- a. Mowing weeds in Romero and BV Basins
- b. Weed spraying with spray trailer at BV and Stine Basins
- c. Dozer work on Romero to push old trees, clean debris, and create a terrace for rip-rap storage

**14. Future Projects.** The following projects will be completed as time and scheduling permit:

- a. Trim and remove trees/brush as needed along canals for grader passage
- b. End of season repairs of turnouts, gates, piping and crossings on Stine and Eastside
- c. Remove piping obstruction on 20 Foot in December
- d. Install 24" piping at 3-0-149 for Boswell turnout on the 14 Ditch
- e. Install meters on Stine Canal at Bladder outlet
- f. Clean bottoms of Eastside Canal with rental dozer when dry
- g. Replace rusted steel supports on BV Canal weirs (6-0-519 and 525)
- h. Continue removal of brush and trees on East Branch between Madison & Casa Loma and assist subcontractor in large tree removal.

**15. Future Water Banking Projects.**

- a. Install permanent staff gauges and signage in basins
- b. Place riprap around eroded entrance structures as needed at DiGiorgio Basin
- c. Mow and remove trees at DiGiorgio Basins
- d. Mow weeds (If dry enough to get equipment in basins), at Met and DiGiorgio
- e. Spray weeds and Typha (cattails), with new trailer mount system after mowing
- f. Dig & reconnect Well No. FR-2 pipeline in Romero Basin

INSTALL 4" ABOVE GROUND  
OFFSET AIR VENT  
(WITH ENCLOSURE)  
SEE DETAILS (A 17) (B 17) (C 17)

(2) 45°  
PREFABRICATED BEND  
WITH THRUST BLOCK  
SEE DETAIL (A 16)

PROPOSED NEW 42" RCP PIPELINE

NEW PIPELINE  
50' EASEMENT  
(SEE SHEET 19)

WESTERN PARCEL LINE

EXISTING DITCH  
80' EASEMENT

HALF-TON  
LINES DEMIL  
RELOCATED  
IRRIGATION MAIN

(2) 30°  
PREFABRICATED BEND  
WITH THRUST BLOCK  
SEE DETAIL (A 16)

REINFORCED CONCRETE  
BOWL STRUCTURE  
SEE SHEETS 12-15

FUTURE MONUMENT SIGNAGE  
(BY DEVELOPER) SEE SHEET 23

NEW PIPELINE  
40' EASEMENT  
(SEE SHEET 19)

HOSKING AVE.

NO CHANGE TO  
72" STANDPIPE

REMOVE 48" STANDPIPE  
AND PLUG 18" LINE TO MAIN 72" STAND.

REMOVE 45° ELBOW, INSTALL MANHOLE  
(SEE SHEET 18), AND CONTINUE 42" RCP  
WESTERLY ALONG THE NEW ALIGNMENT.



Know what's below.  
Call before you dig.



NORTH



LEGEND

— EXISTING  
FENCE



DRAWING NO.  
**4**

ZEIDERS CONSULTING  
1655 GREELEY ROAD  
BAKERSFIELD, CA. 93314  
(661) 589-8366

BRANCH 1 CANAL  
RELOCATION AND PIPELINE  
SITE PLAN

REV.	DATE	DESCRIPTION
1	SEPTEMBER 14, 2020	DATE: SEPTEMBER 14, 2020
2		SCALE: AS NOTED
3		DRAWN BY: A. STON
4		CHECKED BY: W. ZEIDERS
5		FILE NAME: BRANCH 1-PIPELINE.DWG



To: Kern Delta Water District Board of Directors

From: Steven Teglia

Date: October 15, 2020

Re: Encroachment Permit Applications

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**DISCUSSION:**

Following are the organizations that have applied for an encroachment permit with Kern Delta Water District and a summary of their intended locations and purposes for encroaching.

**Organization: Black & Veatch**

Location: Kern Island Canal and Eastside Canal

Purpose: Perform inspection of KCWA pipeline – no excavation required

Anticipated Start Date: TBD

**Organization: Sierra Construction**

Location: Stine Canal – SE Corner of Panama Lane and Gosford

Purpose: Abandoned existing KDWD turnout (see attached)

Anticipated Start Date: TBD



To: Kern Delta Water District Board of Directors

From: Steven Teglia

Date: October 20, 2020

Re: Invoices and Disbursements, Special Projects & Water Banking Project Operation/Construction.

---

**RECOMMENDATION:**

Staff recommends payment of the following six payables divided into three overall groups of: 1) water banking program design, construction, and construction support -- \$00.00; 2) water banking variable -- \$172,679.99; 3) Kern Delta Water District construction -- \$00.00. The total expenditure in September for these areas is \$172,679.99 (plus additional PG&E well energy stand-by cost).

**DISCUSSION:**

The following six payables can be divided into three overall groups: 1) water banking program design, construction, and construction support, 2) water banking variable, and 3) Kern Delta construction.

**First group (Water Banking Program Design, Construction and Construction Support):**

**Second group (Water Banking Variable):**

- 1) Cross Land Leveling – \$88,248.75 (Land leveling; Romero Basins)
- 2) KDWD – \$661.50 (Reimburse KDWD costs; Romero Basins)
- 3) Kern Machinery – \$733.28 (Brake manual, push/pull cable)
- 4) Krazan & Associates – \$895.50 (Compaction testing; Romero Basins)
- 5) Water Ways – \$758.26 (Coupler repair)
- 6) PG&E – \$81,382.70 (Power/stand-by energy cost for the wells associated with the Water Banking water production)

**Third group (Kern Delta Construction)**

# Tab V





# **KERN DELTA WATER DISTRICT**

October 14, 2020

	10/14/2020	Last Year
KERN RIVER 3 DAY MEAN INFLOW	158 CFS	400 CFS
KERN RIVER MEAN OUTFLOW	176 CFS	700 CFS
ISABELLA RESERVOIR STORAGE	99,747 ACFT	183,858 ACFT
REQUESTED OUTFLOW	185 CFS	700 CFS

Estimated: (CFS)

KDWD DAILY DIVERTED: (OCTOBER 14, 2020)	@HEAD	STATE	XCHNG	BANKING
KERN ISLAND	130	0	0	0
EASTSIDE	0	0	0	0
BUENA VISTA -LEVEE	0	0	0	0
STINE	0	0	0	0
OTHER - River Channel	0	0	0	0
K.I. / A.E. Exchange Gate	0	0	0	0
STINE / A.E. Exchange Gate	0	0	0	0
Total CFS	130	0	0	0

Estimated: (Acre Feet)

DIVERTED (SEPTEMBER 2020)	UTILITY	STATE	PURCHASE	BANKING
KERN ISLAND	7,809	0	0	0
EASTSIDE	734	0	0	0
C.O.B. Misc.	0	0	0	0
BUENA VISTA	0	0	0	0
STINE	0	0	0	0
FARMERS	720	0	0	0
SOUTH FORK	0	0	0	0
West Side State Sale	0	0	0	0
MONTHLY TOTAL	9,263	0	0	0
<b>YEAR TO SEPTEMBER 30, 2020</b>	<b>143,104 ACFT</b>	<b>6,650</b>	<b>0</b>	<b>0</b>
<b>Year to September 30, 2020 Utility - State - Banking</b>	<b>149,754 ACFT</b>			

ACFT. STORAGE BALANCE AS OF:	9/30/2020	Estimate 10/14/2020	Max Storage
KERN ISLAND	2,263	2,281	2,500
BUENA VISTA	1,500	1,500	1,500
STINE	1,243	1,243	1,500
FARMERS	1,238	1,238	1,500
STATE (19) Carryover	0	0	N/A
STATE (20) Contract	4,448	4,448	N/A
RRBWSO STORAGE	23,805	23,805	N/A
PIONEER PROJECT STORAGE	23,285	23,285	N/A
TOTAL ACFT.	57,782	57,800	

K.D.W.D. CLIMATOLOGICAL OBSERVATION:

<u>61</u>	MINIMUM TEMPERATURE	<u>51</u>
<u>86</u>	MAXIMUM TEMPERATURE	<u>87</u>
<u>64</u>	PRESENT TEMPERATURE	<u>54</u>
<u>0.00</u>	PRECIPITATION - 24 HR. DAY	<u>0.00</u>
<u>0.00</u>	PRECIPITATION - MONTH	<u>0.00</u>
<i>Seasonal</i> <u>0.00</u>	YEAR TO DATE PRECIP.	<u>0.00</u> <i>Seasonal</i>

ISABELLA CLIMATOLOGICAL OBSERVATION:ISABELLA RESEVOIR:

LAKE ELEVATION (FT.)	2,546.57	SEPTEMBER AC. FT. INFLOW	15,272
STORAGE ACFT.	99,747	SEPTEMBER AC. FT. OUTFLOW	10,566
STORAGE CAPACITY	568,075	ACCUMULATIVE ACFT. INFLOW (19-20)	389,886
% OF CAPACITY	18%	ACCUMULATIVE ACFT. OUTFLOW	448,555
COE STORAGE CAPACITY	360,000	% OF COE CAPACITY	28%

Summary of Utility Water Diverted Year to Date: 9/30/2020

	Utility	North Kern*	Other Exchanges
<i>January</i>	15,033	0	0
<i>February</i>	12,528	0	0
<i>March</i>	11,718	0	0
<i>April</i>	9,759	2,500	0
<i>May</i>	13,664	0	0
<i>June</i>	29,756	0	0
<i>July</i>	26,325	0	0
<i>August</i>	15,058	0	0
<i>September</i>	9,263	0	0
<i>October</i>			
<i>November</i>			
<i>December</i>			
<i>Total</i>	143,104	2,500	0

Summary of Other Water Diverted Year to Date: 9/30/2020

	State	Purchase	Banking
<i>January</i>	0	0	0
<i>February</i>	0	0	0
<i>March</i>	30	0	0
<i>April</i>	81	0	0
<i>May</i>	535	0	0
<i>June</i>	2,098	0	0
<i>July</i>	2,136	0	0
<i>August</i>	1,770	0	0
<i>September</i>	0	0	0
<i>October</i>			
<i>November</i>			
<i>December</i>			
<i>Total</i>	6,650	0	0

Water owed to K.D.W.D as of: 9/30/2020

<i>B.V.W.S.D. 2019 State Carryover*:</i>	5,999
<i>2020 State Contract: Table A</i>	5,100
<i>2020 Yuba Purchase</i>	78

*Quantities in acft.* TOTAL 11,177

\*Maximum State Carryover Balance: 6,000 acre feet

Summary of Total State Water Used Year to Date: 9/30/2020

	(OWED)	(USED)
<i>2019 Carryover</i>	0	5,999
<i>2020 Contract</i>	4,448	730
<i>Total</i>	4,448	6,729

Net Owed to KDWD TOTAL 11,177

# ***Kern River Watermaster***

16294 Highway 43


P.O. Box 1168  
Wasco, California 93280



Office: (661) 758-5153  
Cell (661) 201-5527  
Fax: (661) 758-6167

October 11, 2020

TO: Kern River Interests

FROM: Dana S. Munn 

RE: Report of Recent Activities

**Isabella Dam Safety Modification Project** - The October 2020 Situation Report is attached. The Phase II (dam) construction and blasting continues as an “essential project”. They are continuing structural concrete work on the labyrinth weir spillway structure.

**Runoff and Operations** – I continue to be in discussions with DWR staff on getting the costs and what commitments are needed for the Kern River to participate in the Aerial Snow Observatory (“ASO”) program. ASO aerially measures snow depth and uses algorithms from manual density measurements and remote sensors to estimate the volume of water in the basin. DWR funding may not be available next year and Federal or local funding may be needed.

The Sequoia & Kings Canyon National Parks administration has notified DWR staff that they will not be doing the manual snow surveys of two locations in the Little Kern and several locations along the Kaweah River. I am discussing options with the DWR and the Kaweah River Watermaster to hire a private contractor to do this winter’s surveys.

Attached are graphs of “March 1, 2020 to date Kern River Inflow, Outflow and Isabella Storage” and “Kern River Inflows and Chagoopa Plateau Sensor, Elevation: 10,300’. Note that the peak inflow shown on September 15 is an error due to a replacement of a lake surface elevation sensor by the Corp and the error will be corrected in the Report of the Kern River Watermaster.

**California Fires** – There is a large fire, “SQF Complex” burning along the North Fork of the Kern, the Little Kern, the Tule, and the Kaweah Rivers (map attached). The SQF Complex fire is currently 167,846 acres and is 65% contained. This will impact the water quality of next year’s runoff; however, given

that it is upstream of Isabella it will not be as severe as water quality problem with fire scars downstream of Isabella.

**Public Outreach** – I continue to respond to press and public inquiries during the month.

**Watermaster Records** – I continue to review records and forecasted reservoir operations with City staff.

Attachments: October 2020 Situation Report

Graph of March 1, 2020 to date Kern River Inflow, Outflow and Isabella Storage

Graph of Kern River Inflows and Chagoopa Plateau Sensor, Elevation: 10,300', Minimum Temperature

Map of SQF complex fire



# ISABELLA LAKE, CA CONSTRUCTION

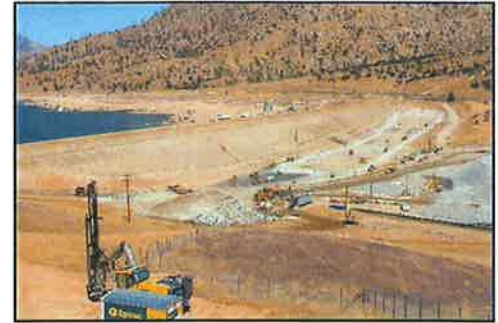
**U.S. ARMY CORPS OF ENGINEERS**

**BUILDING STRONG.**

## Location & Description

Isabella Lake Dam (consisting of a Main Dam, Auxiliary Dam and service spillway) is located about 40 miles northeast of Bakersfield in Kern County, California, and became fully operational in 1953. The Main Dam is located near the confluence of the north and south forks of the Kern River and the Auxiliary Dam is located about half a mile east of the Main Dam. The Main Dam is a 185-foot-high earth-fill dam, and the Auxiliary Dam is a 100-foot-high earth-fill dam. The service spillway is located between the two dams. The reservoir (Isabella Lake) has a gross storage capacity of 568,075 acre feet.

**October 2020**



## Advisory

- USACE has established enhanced protocols to ensure the safety of our employees and our partners, and to take necessary precaution to prevent the spread of COVID-19. Poor air quality, due to wild fires 20-40 miles from the project, has not resulted in significant impacts to progress.
- The Phase II Dams and Spillways contractor (Flatiron/Dragados/Sukut Joint Venture, or FDS JV) continues construction activities. As a result, the site including Engineers Point is an active construction area and is off limits to the public.
- Corps policy prohibits public operation of unmanned aircraft systems, such as drones, on or above federal lands and waters managed by USACE. The policy is intended to ensure critical infrastructure security and public safety.

## Looking Ahead Next 30+ days)

- Construction crews continue embanking on the Auxiliary Dam. The Contractor is scheduled to reach flood elevation 2570 by the start of flood season (November 1, 2020). Steel rebar and slab placement work continues on the labyrinth weir and excavation on the emergency spillway. Main Dam and Service Spillway work continues.
- SR155 continues to have one lane traffic with signals, and is expected to continue through December 2020. Highway patrol officers continue to monitor the area. USACE will provide updates on any changes in traffic patterns or lane closures via public outreach, the monthly SITREP, and the Isabella Task Force engagements. Please help us ensure everyone's safety and obey all traffic signals and directions.
- The first iteration of screening site alternatives for the Visitor Center was completed September 16, 2020.

## Current Lake Status (as of October 6, 2020)

The current pool resides at 100,630 acre-feet, which is 39% of restricted pool, and an elevation of 2,565 feet-IPD. As part of our interim risk reduction measures, Isabella Lake has a restricted elevation of 2,589 feet-IPD (361,250 acre-feet). Current lake status can be viewed at <https://go.usa.gov/xE2pX>

Milestones	
Pre-Construction Engineering and Design	Complete
Construction of USFS Fire Station and Admin Facilities	Complete
U.S. Forest Service Visitor's Information Center	In Planning
Dams and Spillways Construction	2018-2022

U.S. ARMY CORPS OF ENGINEERS, SACRAMENTO DISTRICT, 1325 J ST., SACRAMENTO, CA 95814

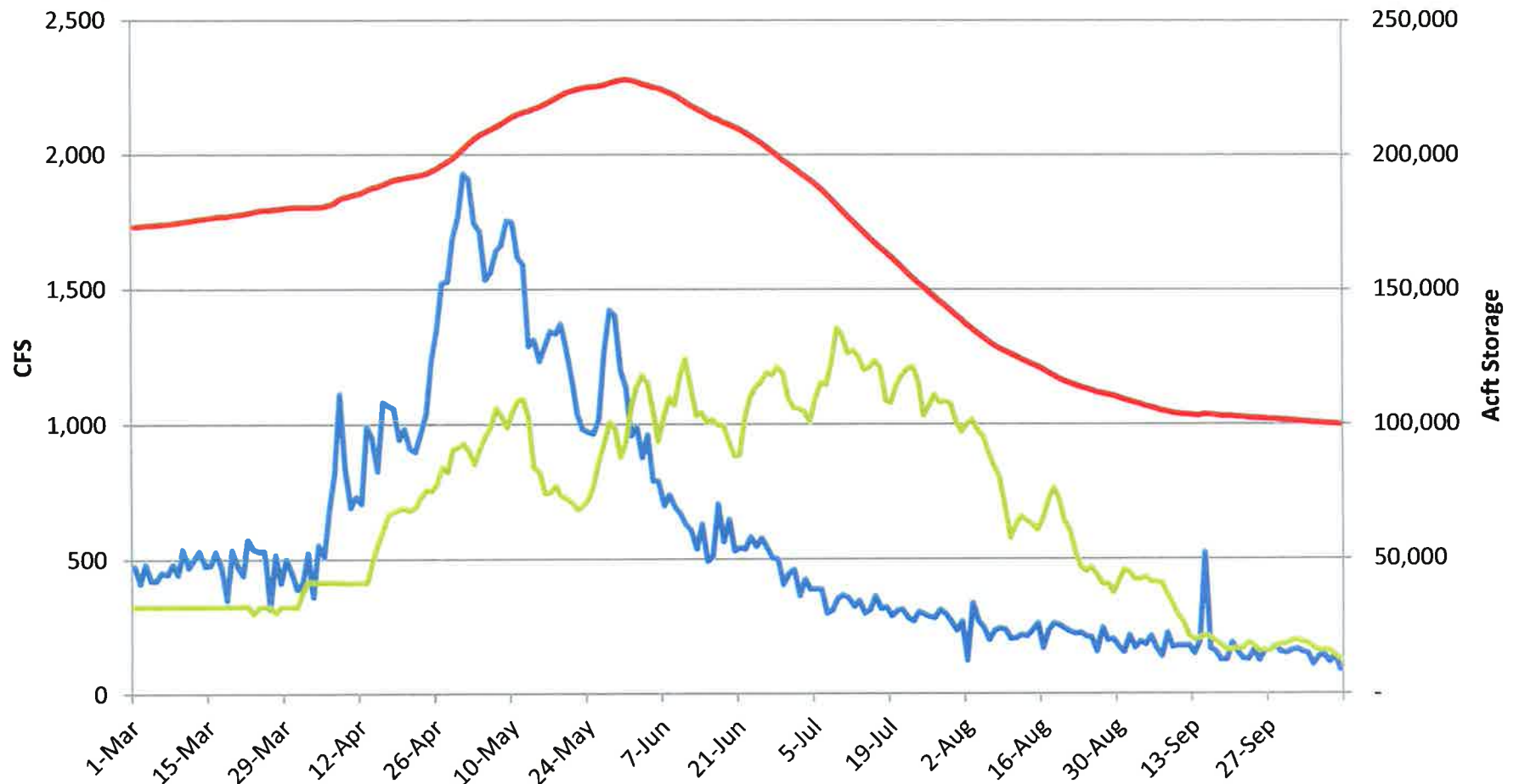
[www.spk.usace.army.mil/Missions/CivilWorks/IsabellaDam.aspx](http://www.spk.usace.army.mil/Missions/CivilWorks/IsabellaDam.aspx)

916-557-5100

[Isabella@usace.army.mil](mailto:Isabella@usace.army.mil)

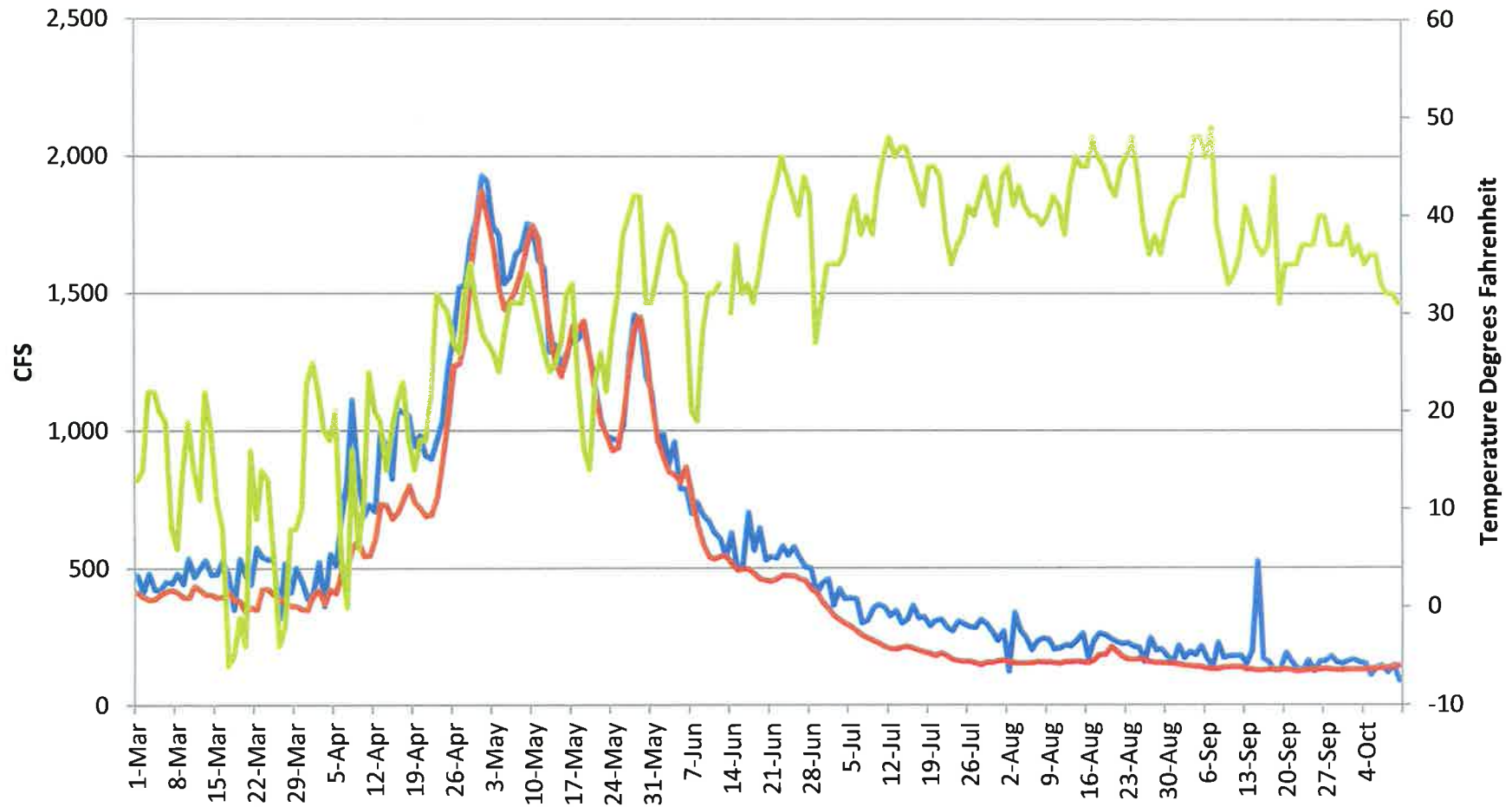
**March 1, 2020 to October 31, 2020**  
**Kern River Inflow, Outflow and Isabella Storage**

"Preproject" Inflow    Mean Outflow    Isabella Storage

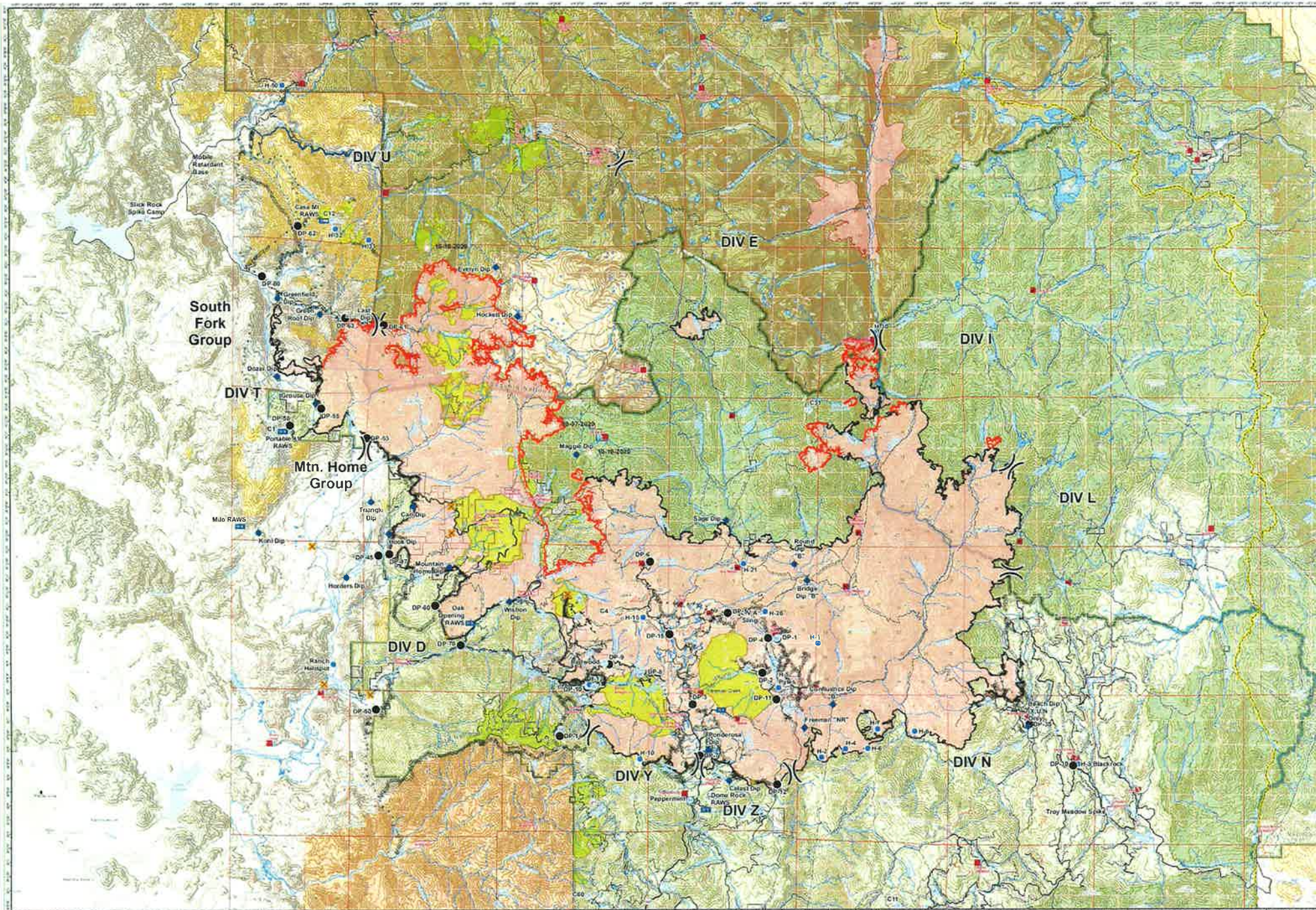


# Kern River Inflows and Chagoopa Plateau Sensor, Elevation: 10,300', Minimum Temperature

"Preproject" Inflow   North Fork   Chagoopa Minimum Temperature







## OPERATIONS

SQF Complex

CA-SQF-002622

10/11/2020

167,005 Acres



1:75,000



AGREEMENT NO. \_\_\_\_\_

**KERN RIVER INTERESTS COST SHARING AGREEMENT  
RELATING TO UNITED STATES ARMY CORPS OF ENGINEERS RESTRICTIONS ON  
USE OF ISABELLA RESERVOIR STORAGE SPACE**

**THIS AGREEMENT** is made and entered into on \_\_\_\_\_, by and between those California public agencies holding all right, title and interest in and to the conservation storage space at Isabella Dam and Reservoir, namely **BUENA VISTA WATER STORAGE DISTRICT, CITY OF BAKERSFIELD (CITY), KERN COUNTY WATER AGENCY, KERN DELTA WATER DISTRICT, and NORTH KERN WATER STORAGE DISTRICT.** These public agencies are sometimes referred herein collectively as "Parties."

**R E C I T A L S**

**WHEREAS**, the Parties are signatory, successor in interest, or otherwise interested parties to the certain contract and agreement dated October 23, 1964, entitled "Contract Among the United States of America and the North Kern Water Storage District, Buena Vista Water Storage District, Tulare Lake Basin Water Storage District, and Hacienda Water District," and are vitally interested in maintaining all right, title and interest to the conservation storage in Isabella Reservoir; and

**WHEREAS**, the Parties have determined that it is imperative that certain expert consultants be retained to advise the Parties on issues regarding Isabella Dam and Reservoir and to ensure the Corps completes the necessary Structural Investigations expeditiously and with the least impact on Isabella Dam and Reservoir; and

**WHEREAS**, the Parties have determined that there may be potential restriction of storage resulting from the proposed designation of critical habitat for the Yellow Billed Cuckoo under the Endangered Species Act; and

**WHEREAS**, the Parties may determine, from time to time, by unanimous written agreement other matters which have potential to affect operation of Isabella Dam and Reservoir; and

**WHEREAS**, the Parties previously entered into a cost sharing agreements on August 1, 2006, March 17, 2010, June 6, 2012, and July 22, 2015 for such purposes mentioned above with the most recent agreement expiring in July 2020; and

**WHEREAS**, the Parties desire to enter into a new cost sharing agreement to address payment of costs associated with the issues mentioned above.

**NOW, THEREFORE**, incorporating the foregoing recitals herein, it is agreed as follows:

**1. PURPOSE.**

**1.1. Scope:** This Agreement provides the terms for the sharing of specified costs relating to obtaining necessary expert advice and technical information from certain consultants qualified to assist the Parties in (a) expediting the construction efforts of the U.S. Army Corps of Engineers ("Corps") in connection with the Isabella Lake Dam Safety Modification Project, (b) such other matters unanimously agreed to in writing by the Parties. The objective of this Agreement is to facilitate the goal of the Parties to minimize the restriction in the operation of Isabella Dam and Reservoir.

**2. MANAGERS COMMITTEE.**

**2.1. Ad Hoc Committee:** The Parties agree to form an Ad Hoc Committee composed of the Kern River Watermaster, and one representative from Buena Vista Water Storage District, City of Bakersfield, Kern County Water Agency, Kern Delta Water District, and North Kern Water Storage District. In addition, each member shall designate an alternate to serve in the event its representative is unable to participate in the work of the Committee. The Watermaster shall serve as the chairman of the Committee and provide written notice to members of the Committee prior to each meeting.

**2.2. Committee Responsibilities:** The Committee shall have the following responsibilities:

**2.2.1.** Prepare and recommend to the Parties appropriate written consultation agreements;

**2.2.2.** Determine the appropriate scope of work and budget of any Consultant;

**2.2.3.** Supervise all work of the Consultants;

**2.2.4.** Review and approve payment of Consultant invoices;

**2.2.5.** Make other reports and recommendations to the Parties as appropriate. The Parties shall endeavor to reach a consensus on all decisions

**2.2.6.** Make a nonbinding recommendation to the Parties that certain Consultants be retained, including but not limited to, the following:

**2.2.6.1.     Engineering:** An expert engineer qualified to advise the Parties with regard to technical issues relating to seismology, hydrology, seepage, dam safety, Corps rules, regulations and procedures, and other matters as determined by the Committee will be selected and retained by legal counsel for the Watermaster on behalf of the Parties.

**2.2.6.2.     Governmental Relations:** An expert in government relations qualified to advise the Parties with regard to Corps rules and regulations, legislation, congressional funding and appropriations, and other matters as determined by the Committee will be selected and retained by legal counsel for the Watermaster on behalf of the Parties.

**2.2.6.3.     Legal:** An attorney to advise the parties with regard to various legal matters concerning Isabella Dam and Reservoir, including but not limited to the Corps restrictions on use of the conservation storage space, and additional issues.

**2.2.6.4.     Other:** Other such experts qualified to advise the Parties on additional matters as determined by the Committee necessary to achieving the purpose of this Agreement will be addressed as necessary by the Parties.

**2.2.7. Consultant Procedure:** Any proposal to retain or terminate a specific expert advisor ("Consultant") shall be decided by the Parties by unanimous agreement following recommendation by the Committee.

**2.2.8. Trust Account:** The Watermaster shall establish a designated trust account ("Account") for the purpose of paying the shared costs authorized by this Agreement. The Watermaster shall direct payment, in the manner and amount determined and approved by the Committee, from the Account in order to make timely payment of the shared fees, costs and expenses of the Consultants.

**2.2.9. Invoicing:** The Watermaster shall promptly provide a copy of all Consultant invoices covered by this Agreement to each member of the Committee and schedule a telephone conference in order for each Committee member to promptly review the invoices and notify the Watermaster

of his/her approval, disapproval or recommended adjustment to a Consultant invoice. In a timely manner, the Committee shall review and approve, as it deems appropriate, and direct payment of the Consultant invoices.

**2.2.10. Funding:** The Parties will allocate and transfer to the Account, in the percentages specified in paragraph 2.3.1. of this Agreement, monies necessary and approved by the Committee to fund the work of the Consultants. The Watermaster shall notify the Parties, as the Committee determines appropriate, when it is necessary that the Parties allocate and transfer to the Account additional monies, up to the authorized funding limit stated in paragraph 2.3.2., in order to maintain a balance in the account sufficient to pay the necessary and proper fees, costs and expenses of the Consultants.

### **2.3. Cost Sharing:**

**2.3.1. Funding Contributions:** The initial funding of the Account, periodic replenishment of funds to the Account, and payment of all fees, costs and expenses of the Consultants approved by the Committee, shall be allocated between the Parties as follows:

Buena Vista Water Storage District	--	32%
City of Bakersfield	--	14%
Kern County Water Agency	--	12%
Kern Delta Water District	--	14%
North Kern Water Storage District	--	28%

**2.3.2. Funding Limit:** The total cost sharing authorized by the Parties for the entire term of this Agreement shall not exceed Three Hundred Thousand Dollars (\$300,000.00) absent the written consent of all the Parties and shall be paid in the same proportion to the percentages outlined in 2.3.1. Any funds remaining in the Account at the expiration of this Agreement shall be promptly refunded to the Parties in proportion to the percentages pursuant to paragraph 2.3.1.

**3. TERM.** This Agreement shall become effective on the first day of November 2020 provided all Parties have executed this Agreement on or before that date. Once effective this Agreement shall continue in full force and effect for five (5) years following the effective date of this Agreement, unless renewed

in writing by all the Parties. This Agreement is null and void if not signed by all Parties.

#### **4. MISCELLANEOUS**

**4.1. Notices:** Written Notices to Parties hereunder shall be sufficient if delivered to the principle office of the respective Party.

**4.2. Amendments:** This Agreement may be amended, or renewed, in writing at any time and from time to time by unanimous consent of all the Parties.

**4.3. Complete Agreement:** The foregoing constitutes the full and complete agreement of the Parties. There are no oral understandings or agreements concerning the subject matter of this Agreement not set forth in writing herein.

**4.4. Severability:** Should any part, term or provision of this Agreement be decided by a court of competent jurisdiction to be illegal or in conflict with any applicable Federal law or any law of the State of California, or otherwise be rendered unenforceable or ineffectual, the validity of the remaining parts, terms or provisions hereof shall not be affected thereby.

**4.5. Multiple Originals:** This Agreement may be executed in counterparts, each of which shall be deemed an original.

**4.6. Water and contractual Rights Not Affected:** No right of any of the Parties in or to any of the waters of Kern River is intended to be, or shall be, by the terms hereof, transferred, granted or conveyed to any other party to this Agreement. This Agreement does not and shall not vary, modify, limit, waive or abandon any right or rights, whether arising by law or contract, of any of the Parties hereto in or to Isabella Reservoir storage or the flow or flows of the waters of Kern River, or any part thereof. This Agreement shall not be construed as granting or conferring any right or rights in or to the waters of Kern River.

**4.7. Precedent:** The terms and conditions of this Agreement do not constitute and shall not be construed to be any form of precedent with regard to any future agreement among the Parties with regard to a Kern River Association or any other subject. All Parties expressly reserve all claims, rights and interest with regard to any such subjects and future agreements.

**IN WITNESS WHEREOF**, the Parties thereto have executed this Agreement in the day and year first-above written.

“CITY”

“PARTIES”

**CITY OF BAKERSFIELD**

**BUENA VISTA WATER STORAGE DISTRICT**

By: \_\_\_\_\_

**KAREN GOH**

Mayor

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO CONTENT:  
**WATER RESOURCE DEPARTMENT**

**KERN COUNTY WATER AGENCY**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

**ART CHIANELLO**

Water Resource Manager

APPROVED AS TO FORM:  
**VIRGINIA GENNARO**

**KERN DELTA WATER DISTRICT**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

**VIRGINIA GENNARO**

City Attorney

COUNTERSIGNED:

**NORTH KERN WATER STORAGE DISTRICT**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

By: \_\_\_\_\_

**RANDY McKEEGAN**

Finance Director

# Tab VI





To: Kern Delta Water District Board of Directors

From: Steven Teglia – General Manager

Date: October 20, 2020

**Re: Agenda Item VI B – External Agency Report**

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RECOMMENDATION:

Receive report, informational item only.

DISCUSSION:

Staff participates in / monitors multiple external agency meetings monthly. Below is a summary including items of note from the various meetings:

[Kern County Water Agency:](#)

- The KCWA Board met September 24, 2020.
- Most KCWA Office Staff teleworking...CVC field and ID-4 staff working as normal (social distancing).
- Report on Zones of Benefit for FY 2021-22.
- Amendment No. 3 to the Long-Term Yuba River Water Purchase Program Letter Agreement.
- Delta Conveyance Project Participation Materials.

[Kern Fan Authority:](#)

- The KFA met on September 23, 2020 (agenda attached)
- Discussion regarding Pioneer Project to facilitate deliveries to McAllister Ranch.
- Miscellaneous SGMA discussion.

[Kern River Groundwater Sustainability Agency \(KRGSA\):](#)

- The KRGSA meeting of October 1, 2020 was canceled.

[Kern Groundwater Authority \(KGA\):](#)

- The KGA met on September 23, 2020 (agenda attached)
- Discussion regarding request from Kern-Tulare to do a basin boundary adjustment to facilitate Kern-Tulare being entirely in the Kern Subbasin.
- Basin Data Management System Project Update.

[Kern River Watershed Coalition Authority \(KRWCA\)\(ILRP\):](#)

- The KRWCA meeting of October 1, 2020 was canceled.



South Valley Water Resources Authority:

- SVWRA meeting of September 24, 2020 was canceled.

Integrated Regional Water Management Plan:

- No Report.

Water Association of Kern County (WAKC):

- WAKC met September 22, 2020.
- WAKC continues to promote the need for agricultural water in California. Bus wraps are now being used on GET buses to support “Magic of Water” campaign. There are also plans for building artwork as well which are underway.
- The 2021 Water Summit is on hold for now.
- Planning for the 2020 Annual Dinner in November will begin, with the understanding it may have to be canceled.
- WAKC looking to develop more webinars which could take the place of the quarterly meetings.
- Tom McCarthy – KCWA General Manager will be speaking on October 20, 2020 via webinar.



Directors:

Ted R. Page  
Division 1

Bruce Hafenfeld  
Division 2

Martin Milobar  
Division 3

Philip Cerro  
Division 4

Charles (Bill) W. Wulff, Jr.  
Division 5

Royce Fast  
President  
Division 6

Gene A. Lundquist  
Vice President  
Division 7

Thomas D. McCarthy  
General Manager

Amelia T. Minaberrigarai  
General Counsel

October 1, 2020

Mr. Steven Teglia  
Kern Delta Water District  
501 Taft Highway  
Bakersfield, CA 93307

RE: Amendment No. 3 to the Long-Term Yuba Water Purchase Program

Dear Mr. Teglia:

This is Amendment No. 3 (Amendment) to the February 14, 2012 Long-Term Yuba Water Purchase Program letter agreement (Agreement) between Kern Delta Water District (District) and the Kern County Water Agency (Agency). On September 30, 2020, the Agency entered into Amendment No. 6 to the Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California to the Participating State Water Project Contractors under the Dry Year Water Purchase Program (Yuba Agreement), which is incorporated herein by reference as Exhibit A. The Agreement between your District and the Agency is hereby amended to incorporate Amendment No. 6 to the Yuba Agreement.

If the above terms and conditions are acceptable, please sign and date both copies of this Agreement and return both copies to the Agency. A fully executed original will be returned to the District.

Sincerely,

A handwritten signature in blue ink that reads "Holly Melton".

Holly Melton  
Water Resources Manager

(661) 634-1400

Mailing Address

P.O. Box 58  
Bakersfield, CA 93302-0058

Street Address

3200 Rio Mirada Drive  
Bakersfield, CA 93308

Enclosures

Accepted:

Kern County Water Agency

By: \_\_\_\_\_

Title: Water Resources Manager

Date: \_\_\_\_\_

Kern Delta Water District

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**STATE OF CALIFORNIA**  
**THE RESOURCES AGENCY**  
**DEPARTMENT OF WATER RESOURCES**  
  
**AND**  
  
**KERN COUNTY WATER AGENCY**  
  
**AMENDMENT 6 TO THE**  
**AGREEMENT FOR THE SUPPLY AND CONVEYANCE OF WATER**  
**BY THE DEPARTMENT OF WATER RESOURCES**  
**OF THE STATE OF CALIFORNIA**  
**TO THE PARTICIPATING STATE WATER PROJECT CONTRACTORS**  
**UNDER**  
**THE DRY YEAR WATER PURCHASE PROGRAM**  
**SWPAO NO. 20-802**

THIS AMENDMENT 6 (Amendment) to the December 21, 2007 “Agreement for the Supply and Conveyance of Water by the Department of Water Resources of the State of California Under the Dry Year Water Purchase Program” (Participation Agreement, or Agreement) is entered into as of 9/30/2020 pursuant to the provisions of the California Water Resources Development Bond Act, the State Central Valley Project Act, and other applicable laws of the State of California, between the Department of Water Resources of the State of California, herein referred to as “DWR,” and the Kern County Water Agency, a public agency in the State of California, herein referred to as the “AGENCY.” DWR and the AGENCY are herein referred to separately as the “Party” and collectively as the “Parties.” Unless otherwise provided in this Amendment, the definitions in the Agreement, the Yuba Water Purchase Agreement, and the exhibits to that agreement shall apply to this Amendment.

## RECITALS

- A. Under the December 4, 2007 “Agreement for the Long-Term Purchase of Water from Yuba County Water Agency by the Department of Water Resources” (Yuba Water Purchase Agreement), Yuba County Water Agency (Yuba) makes surface water available for delivery and purchase by DWR, some of which is made available through substitution of groundwater for surface flows that would otherwise be used by a number of water districts within Yuba County (Member Units).
- B. In 2007 and 2008, 21 State Water Project (SWP) Contractors and the San Luis & Delta-Mendota Water Authority (“AUTHORITY”) entered into agreements with DWR for the purchase and delivery of the water made available under the Yuba Water Purchase Agreement (cumulatively referred to as the Participation Agreements). In 2014, two additional Participating Contractors entered into Participation Agreements. The Participating SWP Contractors and the AUTHORITY are jointly referred to as “Participating Contractors”.
- C. The Parties amended the Agreement in 2009 (Amendment No. 1 and Amendment No. 2), 2010 (Amendment No. 3), 2012 (Amendment No. 4), and December 2014 (Amendment No. 5).
- D. The term of the Yuba Water Purchase Agreement is through December 31, 2025, or when all obligations thereunder have been satisfied, whichever is later, unless it is terminated earlier.
- E. Under Section 26 of the Yuba Water Purchase Agreement, the current pricing structure for water made available expires on September 30, 2020.
- F. In accordance with Section 15 of the Yuba Water Purchase Agreement, DWR and Yuba, in coordination with representatives of the Participating Contractors, negotiated a new pricing structure that establishes new pricing for the period from October 1, 2020 through September 30, 2025 that was incorporated into the Yuba Water Purchase Agreement by the seventh amendment to that agreement.
- G. In light of the new pricing agreement reflected in the seventh amendment to the Yuba Water Purchase Agreement, the parties to the Participation Agreements desire to amend their respective Participation Agreements to conform with changes made by that amendment. This sixth amendment to the Participation Agreement shall be referred to in this Amendment as “Amendment 6”.

## **AMENDMENT 6 to the Participation Agreement**

**Now Therefore**, the Parties hereby amend the Participation Agreement as follows:

### **1. EFFECTIVE DATE OF AMENDMENT**

Amendment 6 to the Participation Agreement shall take effect when all of the following have occurred: (i) execution by the Parties; (ii) execution of the same or substantively similar amendments by DWR and all other Participating Contractors that elect to participate beyond December 31, 2020; and (iii) execution of the seventh amendment to the Yuba Water Purchase Agreement by DWR and Yuba.

### **2. SECTION 2.B, "TERM OF THE AGREEMENT", is amended to read as follows:**

"B. Notwithstanding Subparagraph A, the Parties may terminate the Participation Agreement on December 31, 2025, if they fail to amend the Participation Agreement pursuant to Section 3.B.5 and as necessary to address amendments made to the Yuba Water Purchase Agreement regarding the quantity and pricing of Water to be made available by Yuba after September 30, 2025 pursuant to Section 15 of the Yuba Water Purchase Agreement.

### **3. CHANGES TO SECTION 3, "PURCHASED WATER"**

#### **a. Section 3.B, "TYPES AND PRICES OF PURCHASED WATER", is amended to read as follows:**

The AGENCY shall pay for Delivered Transfer Water made available to and accepted by the Agency under section 3.A above in accordance with the following sections, provided that, the first increment of Delivered Transfer Water provided on or after October 1, 2020, will be paid for according to the pricing schedule listed in Amendment 5 of this Agreement (which is \$50 in a Wet Water Year, \$100 in an Above-Normal Water Year, \$150 in a Below-Normal Water Year, \$200 in a Dry Water Year, \$300 in a Critical Water Year and \$350 in a Consecutive Dry Water Year), which payment will be applied as a credit against the remaining balance of the advance deposit of \$20 million (provided for in Amendment 5), until full crediting of the \$20 million advance deposit, at which time the pricing under this Amendment will be used.

#### **b. Section 3.B.1.a, "COMPONENT 1 WATER", is amended to read as follows:**

- "a. For Component 1 Water that is accounted for as Purchased Water and made available to the AGENCY, the AGENCY will pay:
- i. \$64 per acre-foot in a Wet Year;
  - ii. \$128 per acre-foot in an Above Normal Year;

- iii. \$191 per acre-foot in a Below Normal Year;
- iv. \$255 per acre-foot in a Dry Year, except as provided in subsection vi;
- v. \$383 per acre-foot in a Critical Year, except as provided in subsection vi;
- vi. \$447 per acre-foot in two or more consecutive Final Classification Dry Years (or a Dry Year following a Critical Year) or in two or more consecutive Final Classification Critical Years (or a Critical Year following a Dry Year).
- vii. Notwithstanding subsections i-vi, in any year in which Yuba's Third-Party Transfer of up to 10,000 acre-feet of Storage Component water under Section 11 of the Yuba Water Purchase Agreement reduces the quantity of Component 2 Water available to the AGENCY, the price for Component 1 Water will reflect the reductions specified in Section 11.F.2 of such agreement."

**c. Section 3.B.2, "COMPONENT 2 WATER", is amended to read as follows:**

"For Component 2 Water that is accounted for as Purchased Water and made available to the AGENCY, the AGENCY will pay 80 percent of the amounts in Section 3.B.1, as amended."

**d. Section 3.B.3, "COMPONENT 3 WATER", is amended to read as follows:**

"For Component 3 Water that is accounted for as Purchased Water and made available to the AGENCY, the AGENCY will pay:

- a. \$64 per acre-foot in a Wet Year;
- b. \$128 per acre-foot in an Above Normal Year;
- c. \$191 per acre-foot in a Below Normal Year;
- d. \$255 per acre-foot in a Dry Year, except as provided in subsection f;
- e. \$383 per acre-foot in a Critical Year, except as provided in subsection f;
- f. \$447 per acre-foot in two or more consecutive Final Classification Dry Years (or a Dry Year following a Critical Year) or in two or more consecutive Final Classification Critical Years (or a Critical Year following a Dry Year)."

**e. Section 3 is amended to add Section 3.B.7, "Price for Fall Delivered Water:**

"Component 1, 2, 3, and 4 Water that is accounted as delivered in the months of October and November will be priced using the determination of Water Year that was in effect prior to September 30<sup>th</sup> of that year."

**4. NO OTHER CHANGES**

All remaining provisions of the Agreement that are not changed by this Amendment will remain in full force and effect. Nothing in this Amendment affects the payment provisions of the Agreement through September 30, 2020.

**5. COUNTERPARTS OF THE AGREEMENT**

This Amendment may be signed in any number of counterparts by the Parties,

each of which will be deemed to be an original, and all of which together will be deemed to one and the same instrument. This Amendment, if executed in counterparts, will be valid and binding on a Party as if fully executed all in one copy.

**IN WITNESS WHEREOF**, the Parties hereto, by their authorized representatives,  
have executed this Amendment on the last date set forth below.

Approved as to legal form  
and sufficiency:

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

\_\_\_\_\_  
Spencer Kenner  
Spencer Kenner  
Chief Counsel

\_\_\_\_\_  
John Yarbrough for  
Ted Cradock  
Deputy Director

\_\_\_\_\_  
9/29/2020  
Date

\_\_\_\_\_  
9/30/2020  
Date

Approved as to legal form  
and sufficiency:

KERN COUNTY WATER AGENCY

\_\_\_\_\_  
Amelia T. Melt  
Amelia T. Melt  
Counsel

\_\_\_\_\_  
Holly Melt  
Holly Melt  
Water Resources Manager

\_\_\_\_\_  
9/29/2020  
Date

\_\_\_\_\_  
9/29/2020  
Date



# Delta Conveyance Project

September 2020





# Presentation Outline

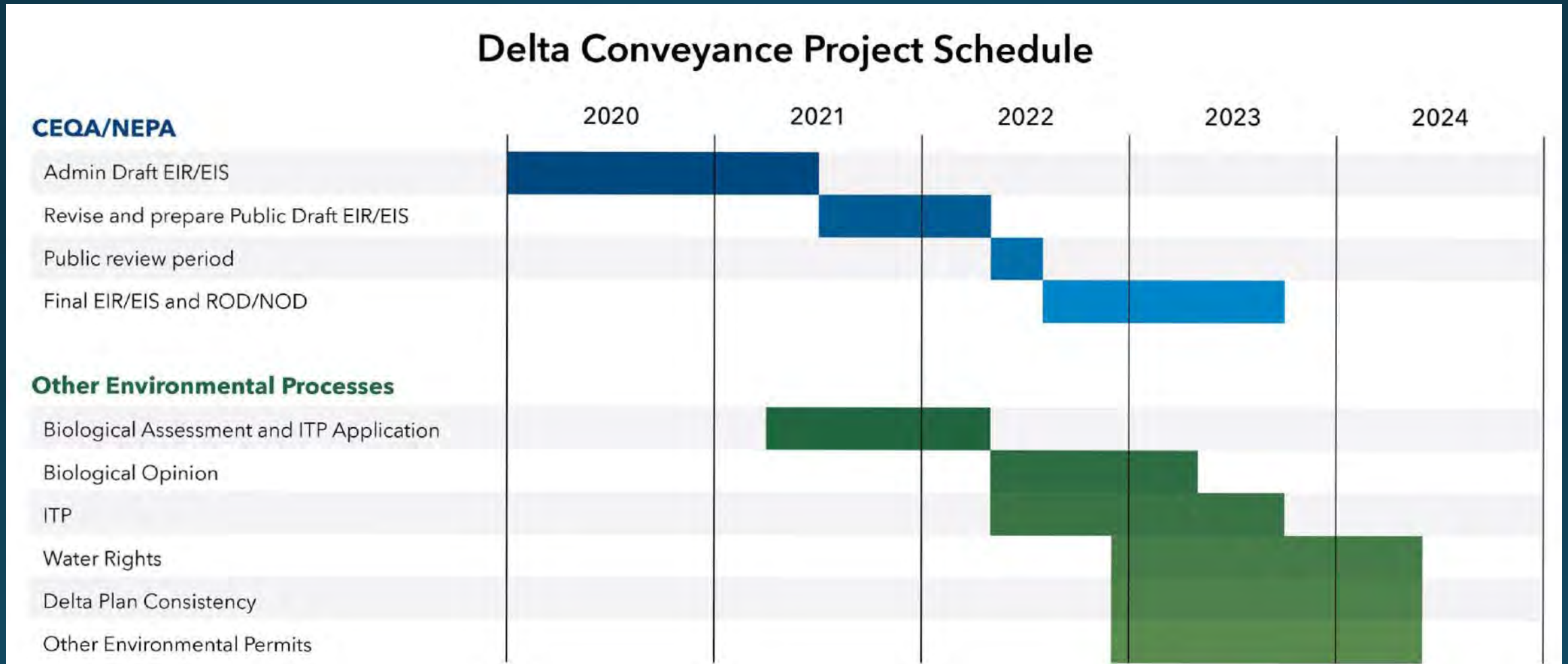
- Proposed Project - Notice of Preparation
- DCP Preliminary Benefits
- DCP Costs and Cost Allocation
- Funding Agreements
- DCA Governance Changes

# Three Things to Review and Decide

- Review the Overview and Summary document and this PowerPoint presentation
  - Cost information
  - Benefit (Yield) information
  - Benefit allocation under the Agreement in Principle
  - DWR/Agency Funding Agreement, DCA JPA, Cost of Participation
- Determine the level of participation by your district.
- For MUs that choose to participate, execute a funding agreement to accommodate DCP planning costs



# Project Schedule



# Project Overview

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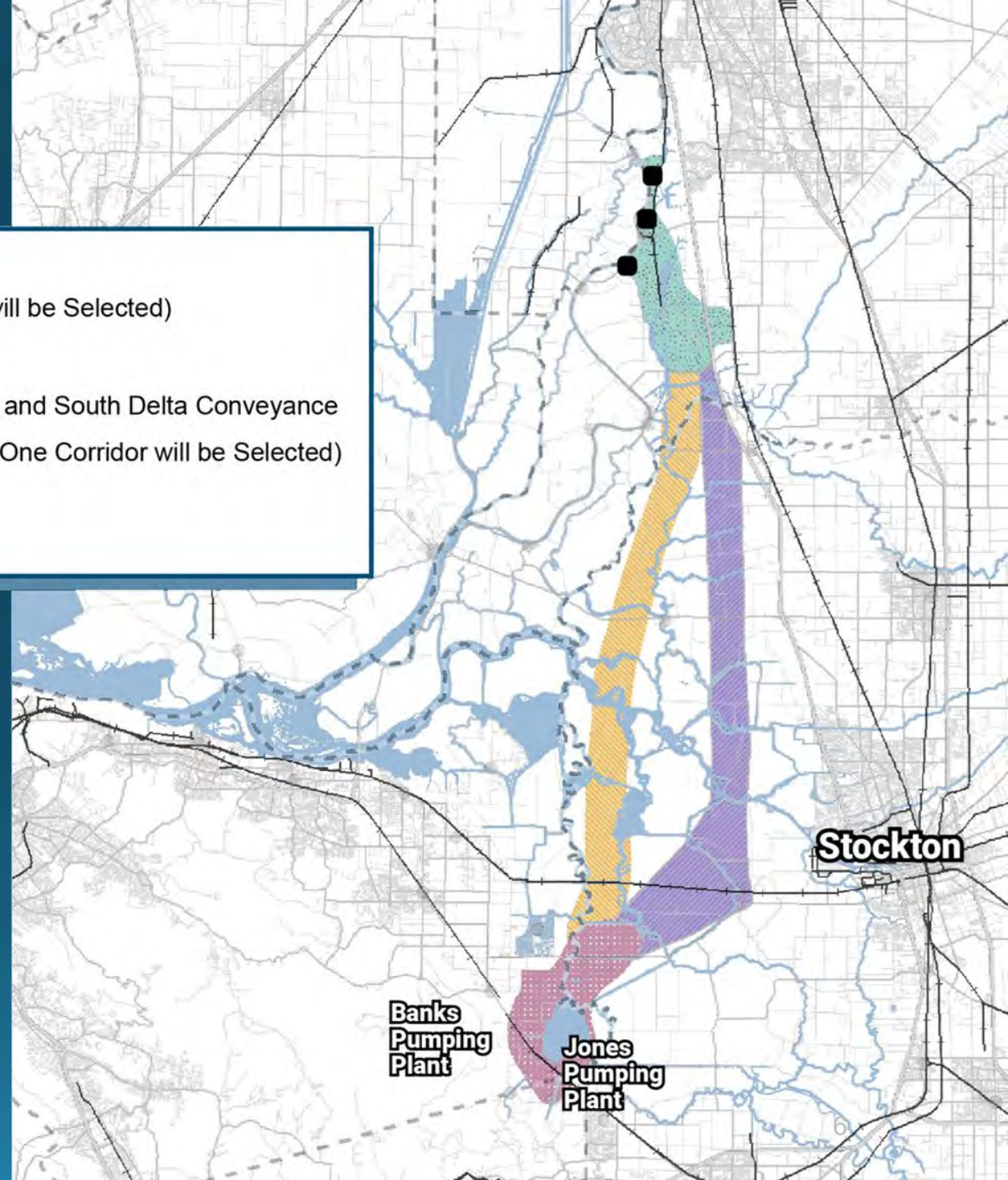
# Delta Conveyance

## Notice of Preparation

## New Facilities

### Legend

- Potential Intakes (Only Two Sites will be Selected)
- Intakes and North Tunnels
- Pumping Plant, Southern Forebay, and South Delta Conveyance
- Potential Optional Tunnel Corridors (Only One Corridor will be Selected)
- Central Tunnel Corridor
- Eastern Tunnel Corridor



# Delta Conveyance Objectives – Notice of Preparation

## To restore and protect ability to deliver SWP Water Supply

- **CLIMATE RESILIENCY:** Addresses climate change, extreme weather, and rising sea-levels in the Delta for the SWP
- **SEISMIC RESILIENCY:** Minimizes health/safety risk to public from earthquake-caused reductions in water delivery quality and quantity from the SWP
- **WATER SUPPLY RELIABILITY:** Restores and protects ability to deliver SWP water in compliance with regulatory and contractual constraints
- **OPERATIONAL RESILIENCY:** Provides SWP operational flexibility to improve aquatic conditions and manage risks of additional future constraints



# Delta Conveyance – Notice of Preparation

## New Facilities:

- Intakes
  - Two intakes (3,000 cfs each)
- Tunnel
  - One underground tunnel
  - Two potential corridors being considered
- Forebays
  - Intermediate and southern
- Pumping plant
- South Delta conveyance facilities
- Other ancillary facilities
- DWR is developing alternatives
  - 3,000 – 7,500 cfs
  - With and without CVP participation
  - Decided by the EIR/S process



# DCP Preliminary Benefits

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Chandra Chilmakuri

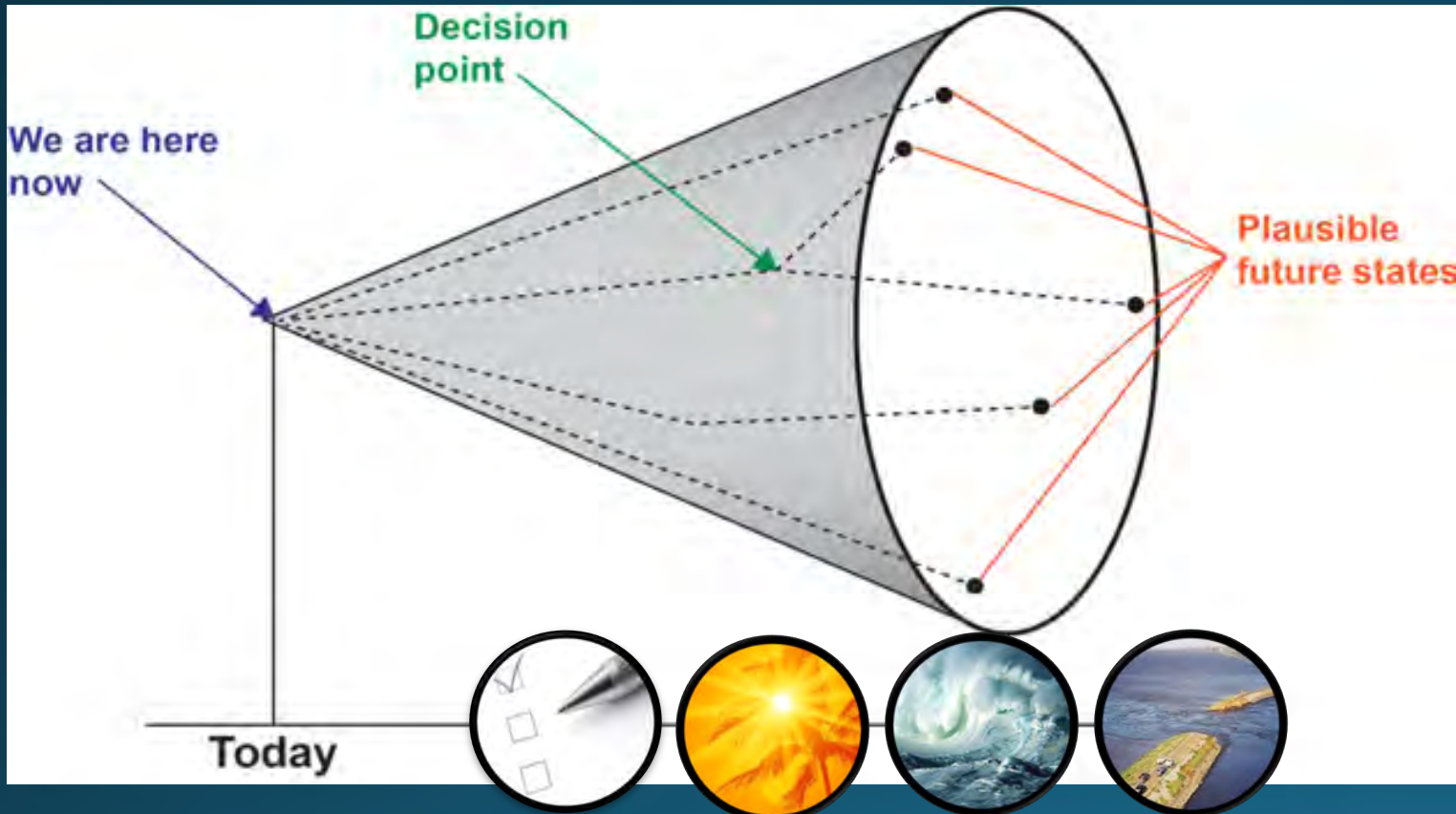
# Preliminary DCP Benefits Analysis

- DWR is currently developing the Delta Conveyance Proposed Project.
- At this time, DWR has not defined the project operations and has not completed regulatory processes that may impact project operations.
- Coarse estimate of water supply changes using CalSim II.
- Estimates may change as Delta Conveyance Project is further defined, permitting is completed and modeling is refined.

# Water Reliability and Resiliency Benefits

- Water supply reliability and SWP resilience
  - Climate change adaptation/stormwater capture
  - Sea-level rise adaptation
  - Seismic resilience
- South Delta flow pattern improvements for fisheries
- Water transfer capacity and carriage water savings
- Water quality improvements for SWP deliveries

# Estimating SWP Exports under Future Conditions and Risks



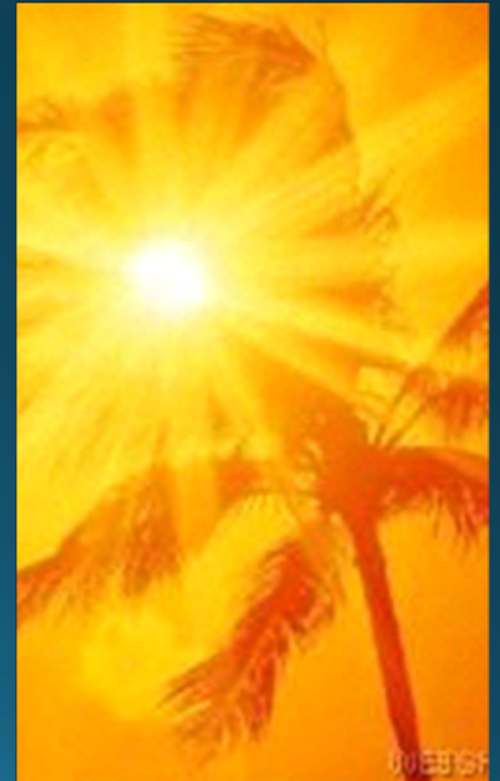
**Risk drivers: Changing regulations, climate, sea level, seismic and levee conditions, other?**

- DCP will operate under future conditions
- Exact future conditions unknown
- Future likely a combination of climate/hydrology, sea level, regulatory, seismic, and other risk drivers
- Scenarios help explore plausible futures and assess SWP reliability and resilience



# Preliminary Water Supply Assessment Scenarios

- 5 plausible combinations of regulatory, climate and sea level, and seismic/levee risk future scenarios
- Each scenario simulated with and without DCP
- DCP operations based on California WaterFix



# DCP Improves SWP Resilience Under Future Conditions

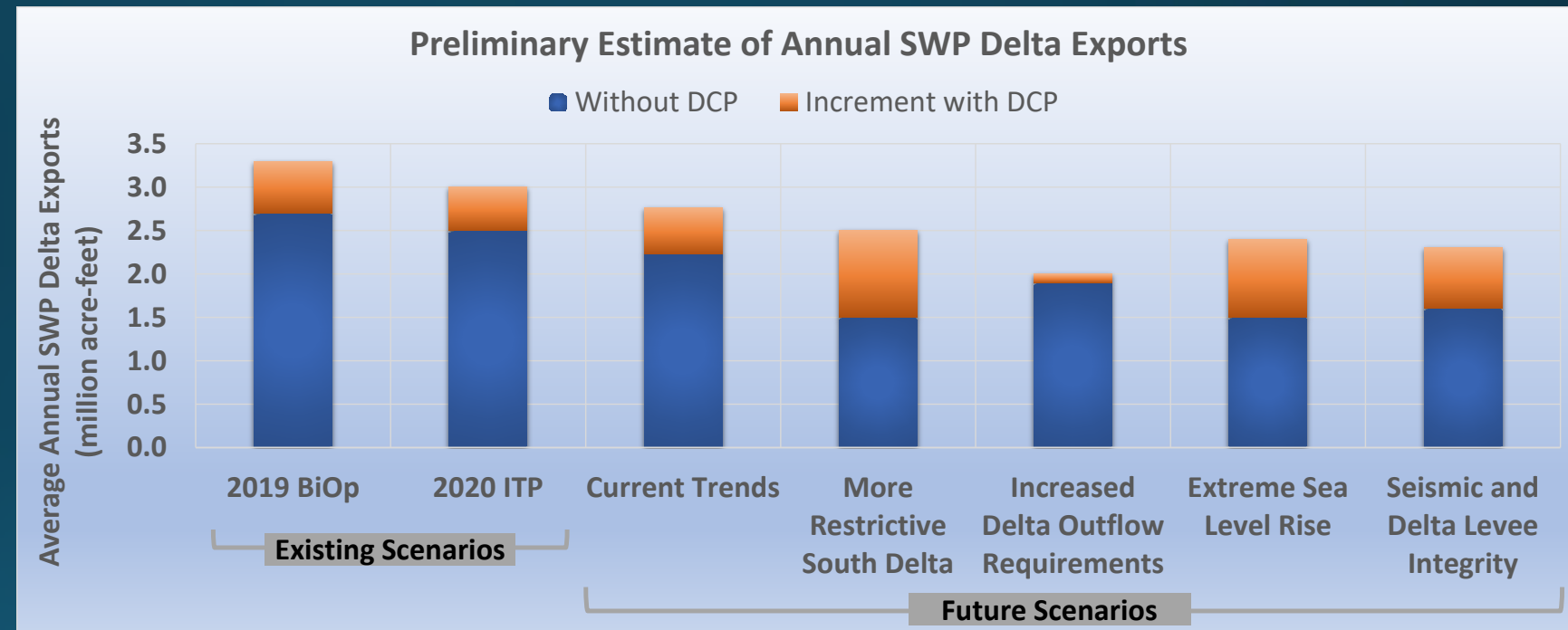
Estimated Annual SWP Exports (MAF/Yr)			
	Without DCP	With DCP	Difference
Existing SWP (ITP)	2.5	3.0	0.5
Current Trends	2.23	2.76	0.53
More Restrictive South Delta	1.5	2.5	1.0
Increased Delta Outflow Requirements	1.9	2.0	0.1
Extreme Sea Level Rise	1.5	2.4	0.9
Seismic and Delta Levee Integrity	1.6	2.3	0.7
Minimum	1.5	2.0	
Maximum	2.23	2.76	
Average	2.0	2.6	

- SWP exports decrease by ~300 to 1000 TAFY under future scenarios without DCP, compared to the existing conditions
- DCP allows similar SWP exports as the existing conditions in the future – *demonstrates improved resilience*

\*TAFY: thousand acre-feet per year on average

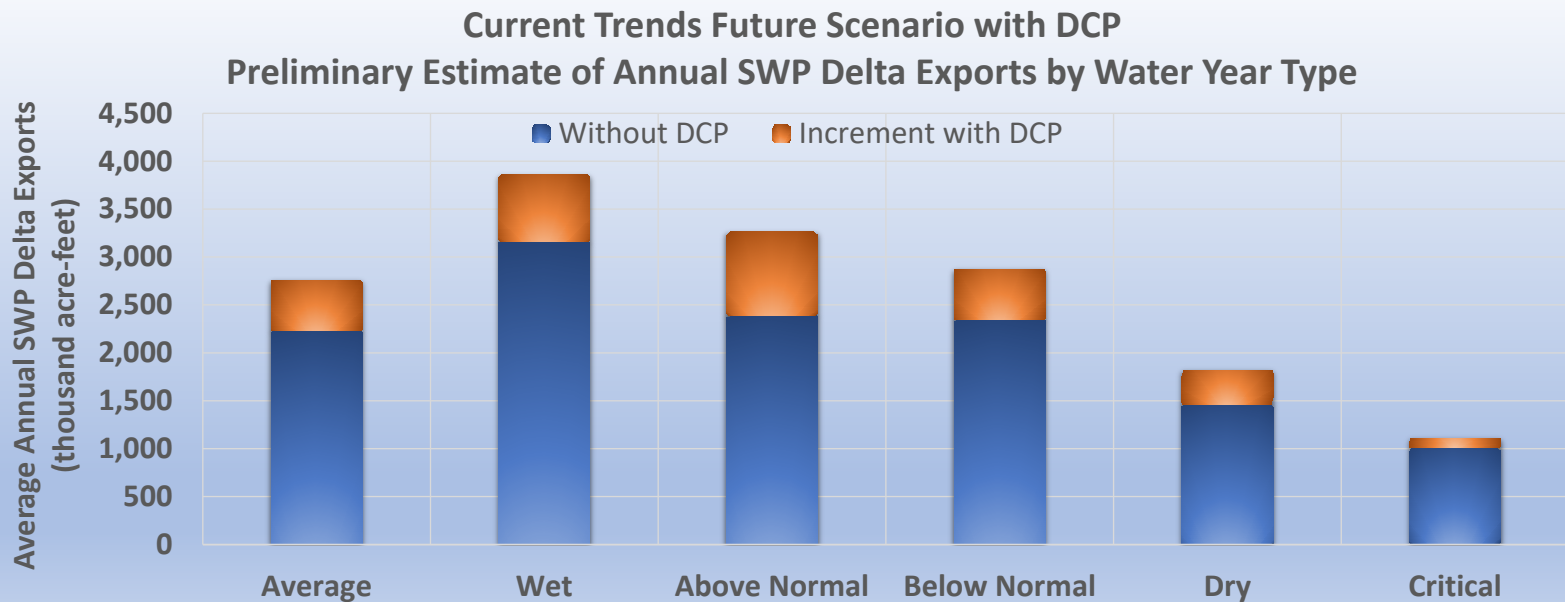
# SWP Reliability Compared to Future Conditions Without DCP

- DCP shows potential to alleviate reductions to SWP reliability under many plausible future risk scenarios
  - ~100 TAFY to 1000 TAFY under greater regulatory restrictions
  - ~700 TAFY under seismic risks and delta island flooding
  - ~900 TAFY under extreme sea level rise
- Exact future likely a combination of climate/hydrology, sea level, regulatory, seismic, and other risks



\*TAFY: thousand acre-feet per year on average

# Preliminary Estimate of Potential SWP Water Supply Change with DCP Under Current Trends



\*TAFY: thousand acre-feet per year on average

- Current Trends scenario assumes:
  - current Delta regulations
  - projected climate change and sea level rise around year 2040
  - WaterFix operations for DCP
- Estimated SWP export improvement with DCP of ~500 TAFY under the Current Trends scenario
- Most of the export improvement in wetter years
- On average, ~60% increase is Table A and ~40% increase is Article 21
- As DCP Proposed Project is further defined and modeling is refined, water supply estimates may change



# DCP Preliminary Costs and Cost Allocation

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# Previous Cost Estimates

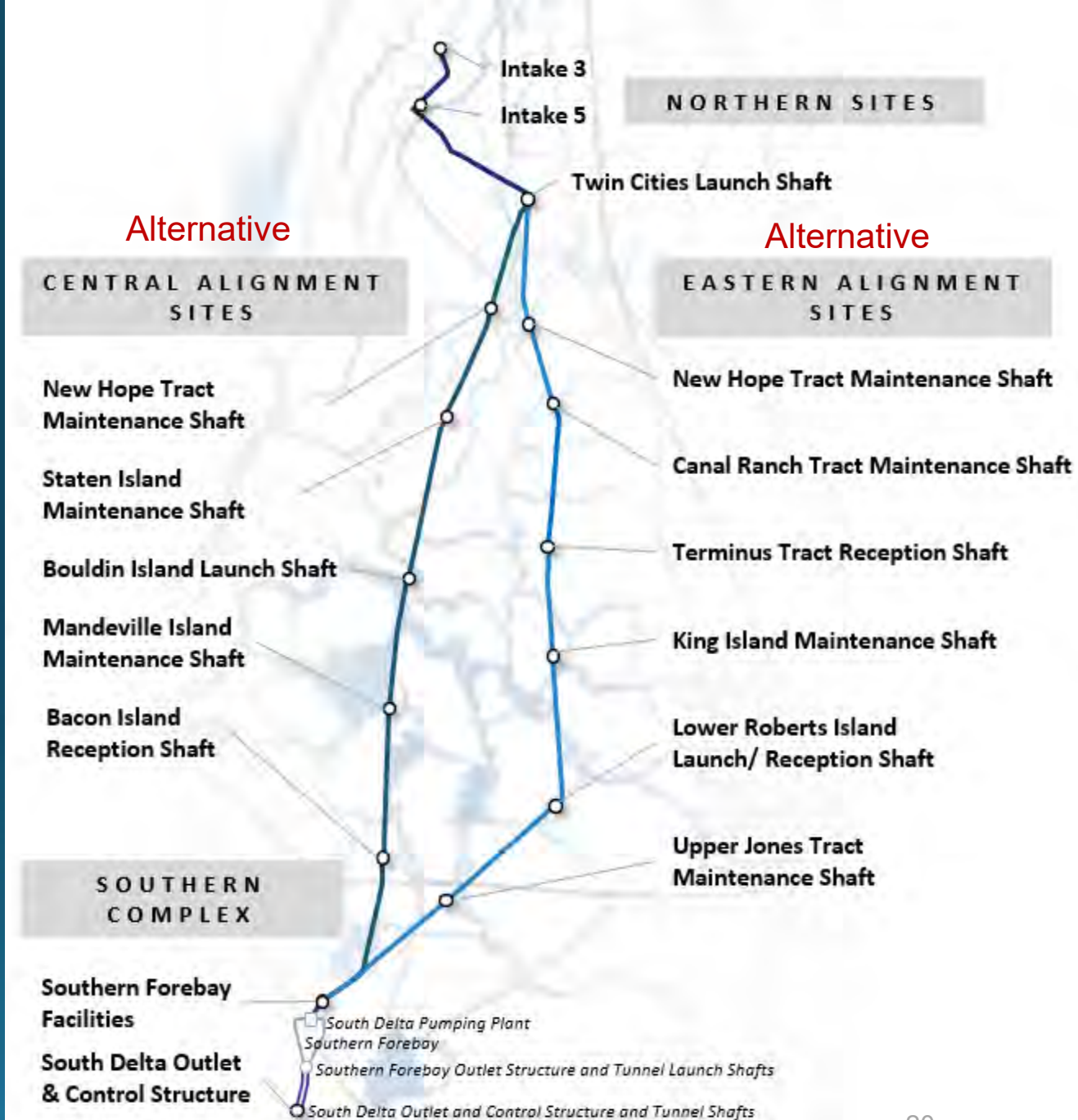
- 2014 DHCCP Cost estimate - \$24.78 B
  - 2 Tunnels
  - 5 Intakes
  - Split CVP, SWP
- 2017 Cost estimate - \$16.7 B
  - 2 Tunnels
  - 3 Intakes
- 2017 Cost estimate - SWP share \$11.09 B
  - 2 tunnels
  - 3 intakes
  - 67% SWP, 33% MWD

# DCA Cost Assessment

<b>DCA Program Scope:</b>	Cost assessment based on DWR's Proposed Project in NOP Conceptual Engineering Report (CER) is not completed
<b>Purpose:</b>	Early cost assessment to inform PWA's investment in project planning
<b>DCA Cost Assessment:</b>	\$15.9 billion in non discounted dollars
<b>Included:</b>	Based on preliminary engineering but includes project costs for construction, management, oversight, mitigation, planning, soft costs and contingencies

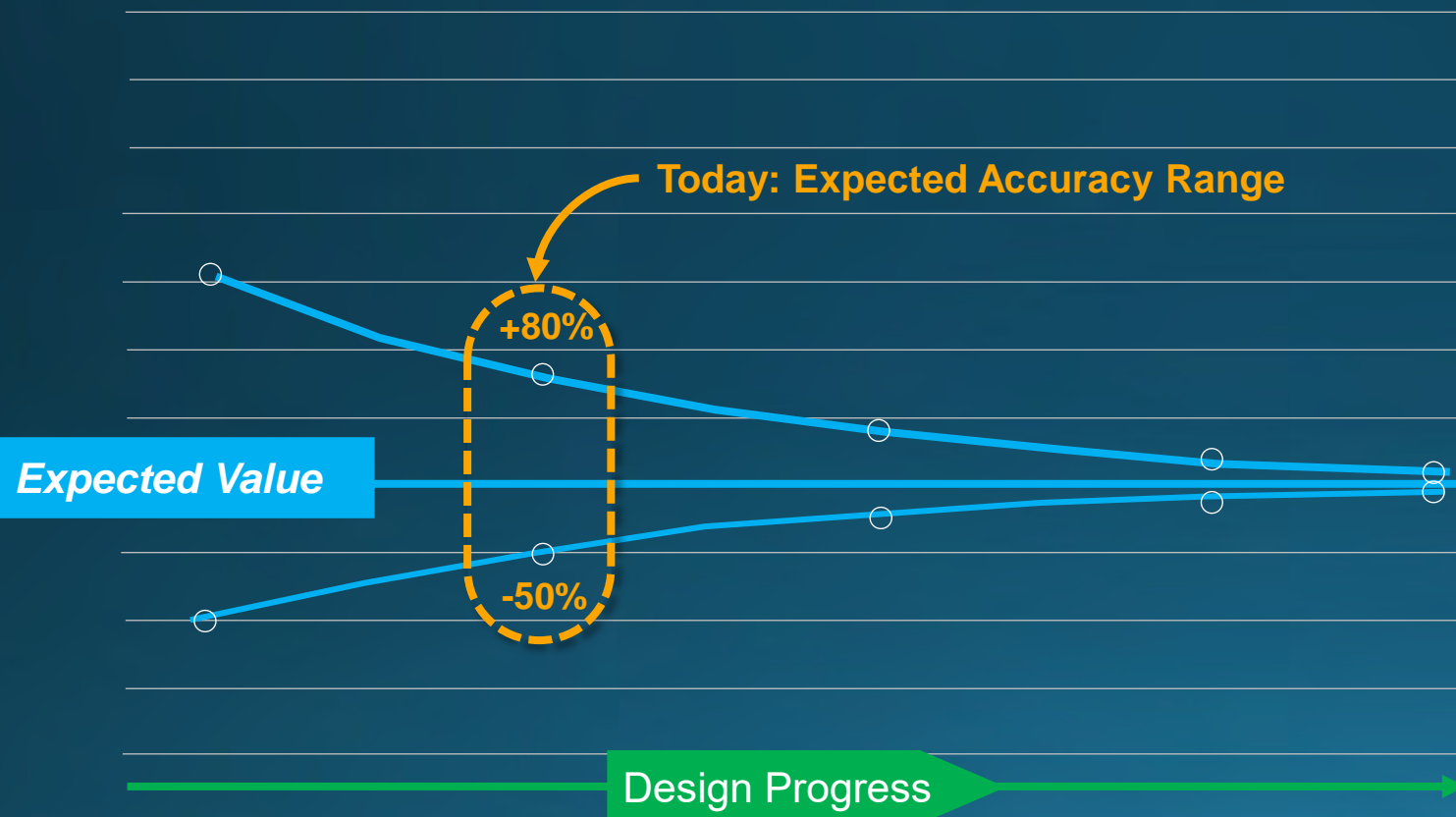
# Cost Information Assumptions

- **Proposed Facilities Included in Estimate:**
  - One Tunnel - Total capacity 6,000 cfs
  - Two intakes at 3,000 cfs each
  - 42 miles of tunnel and associated shafts
  - Southern Complex Facilities
    - Pump Station
    - Forebay
    - Connections to existing CA Aqueduct



# DCA Cost Assessment – Refinement with Time

**Confidence Interval Accuracy Range for most probable construction cost of \$12.1 billion**  
DCA Cost Assessment \$15.9 billion (non discounted dollars)



- The boundaries of the curve represent expected range of accuracy of construction costs
- In early stages, a much wider range of potential construction costs due to the uncertainty of available information
- As the design advances, the range of the construction costs diminish



# Construction Costs

Significant Features	(\$ millions in 2020)	
	CWF <sup>1</sup>	DCA
Intakes 3 and 5	814	1,397
Tunnels (North and Main)	4,226	4,302
Clifton Court Forebay & South Delta Connectors and South Tunnels	679	1,357
Pump Plant (CWF to 6,000 cfs)	401	794
Utilities, Power, Roads, and Communication and Controls	454	508
<b>Total</b>	<b>6,574</b>	<b>8,358</b>

1. CWF costs are normalized to represent a single tunnel of smaller diameter and a 6,000 cfs pump plant.

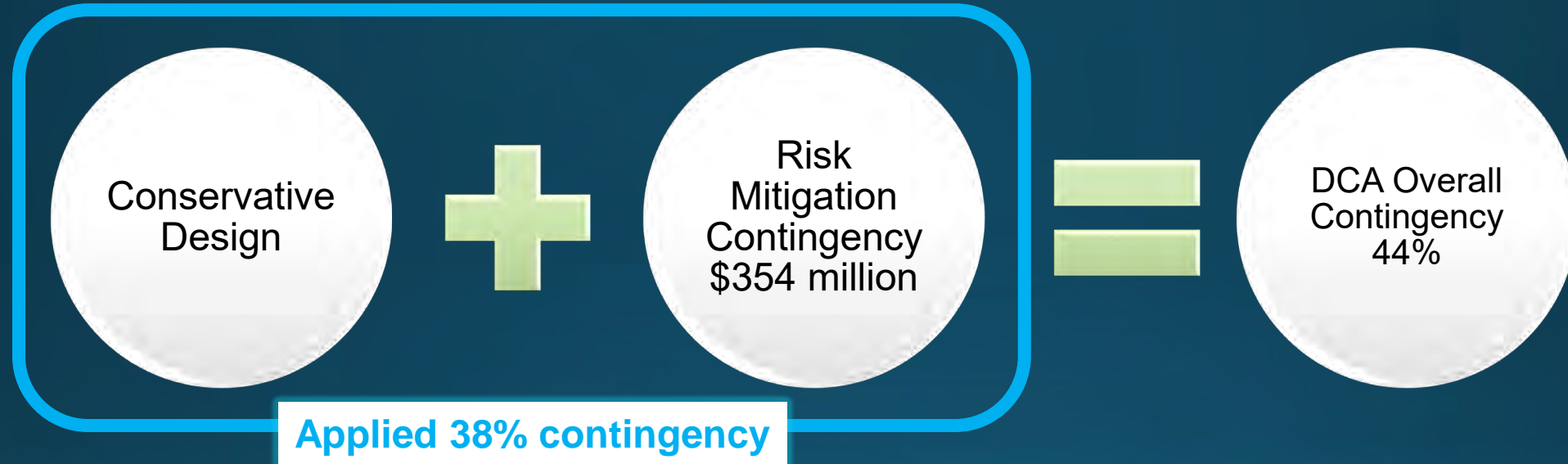


Intakes



Pump Station

# Contingency Levels for DCA Cost Assessment



## WaterFix Overall Contingency

35% of construction costs

# Contingency and Soft Cost Variance

Category	DCA Estimate (\$ Billions)	% of Baseline Construction Costs	Industry Range <sup>4</sup> (% of Baseline Construction Costs)	Applied Industry Range (\$ Billions)	Variance from Industry Range (\$ Billions)
Baseline Construction	8.37 <sup>1</sup>	100	100	8.37	-
Contingency	3.71 <sup>2</sup>	44	10 to 30	0.84 to 2.51	1.20 to 2.87
Program Management	0.42	5	6	0.50	(.08)
Design & CM	2.42	29	10 to 15	0.83 to 1.26	1.16 to 1.59
<b>Subtotal for Variance<sup>3</sup></b>	<b>14.92</b>	<b>178</b>	<b>126 to 151</b>	<b>10.55 to 12.64</b>	<b>2.28 to 4.37</b>
DCO oversight, mitigation, land acquisition	.98	n/a	n/a	n/a	n/a
<b>Total Project</b>	<b>15.9</b>	n/a	n/a	n/a	n/a

1. This removes \$354 M from the DCA construction costs since those were line item risk mitigation contingencies.
2. This adds \$354 M to the DCA stated contingency of 3.3 to include risk mitigation contingencies.
3. Does not include DCO oversight, mitigation, land acquisition, capital costs, and O&M costs.
4. Based on level of detail provided in DCA documents and estimate



# Agreements

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# Agreements for Agency Board Consideration – November 2020

## 1. Agreement in Principle (AIP) for the SWP Delta Conveyance Contract Amendment

➤ Agency's DCF Participation Factor = \_\_\_ %

## 2. Funding Agreement for DCF Planning Costs

## 3. Delta Conveyance Design and Construction Authority (DCA) JPA Agreement



# Agreement in Principle (AIP) for SWP Delta Conveyance Contract Amendment

# Delta Conveyance AIP

- Option to opt-out of DCF costs and benefits
- Option to assume additional DCF costs and benefits
- Effective Date will be on or after the contract extension billing transition date
- Costs and DCF water supply are allocated based on the DCF Participation Table
- Adopt “Pay-As-You-Go” Billing Provisions for both the Capital and Minimum Components



# Funding Agreement

# Key Provisions of Funding Agreements

- Funding Agreements for \$385 million for planning costs from 2021-2024
- Authorizes contributed funds to be spent on DCA invoices consistent with the JEPA and DCO environmental planning costs
- Allows for customization of contributed funds
- Provides flexibility to provide additional funds without amendment to the Agreement

# Options:

- Statement of Charges
  - Rebill for 2021 SOC
  - Pay-go or Lump Sum
- Authorization for entire share of \$385 million in planning costs or only first two years
- Will allow for additional funds to be contributed upon showing of Board authorization



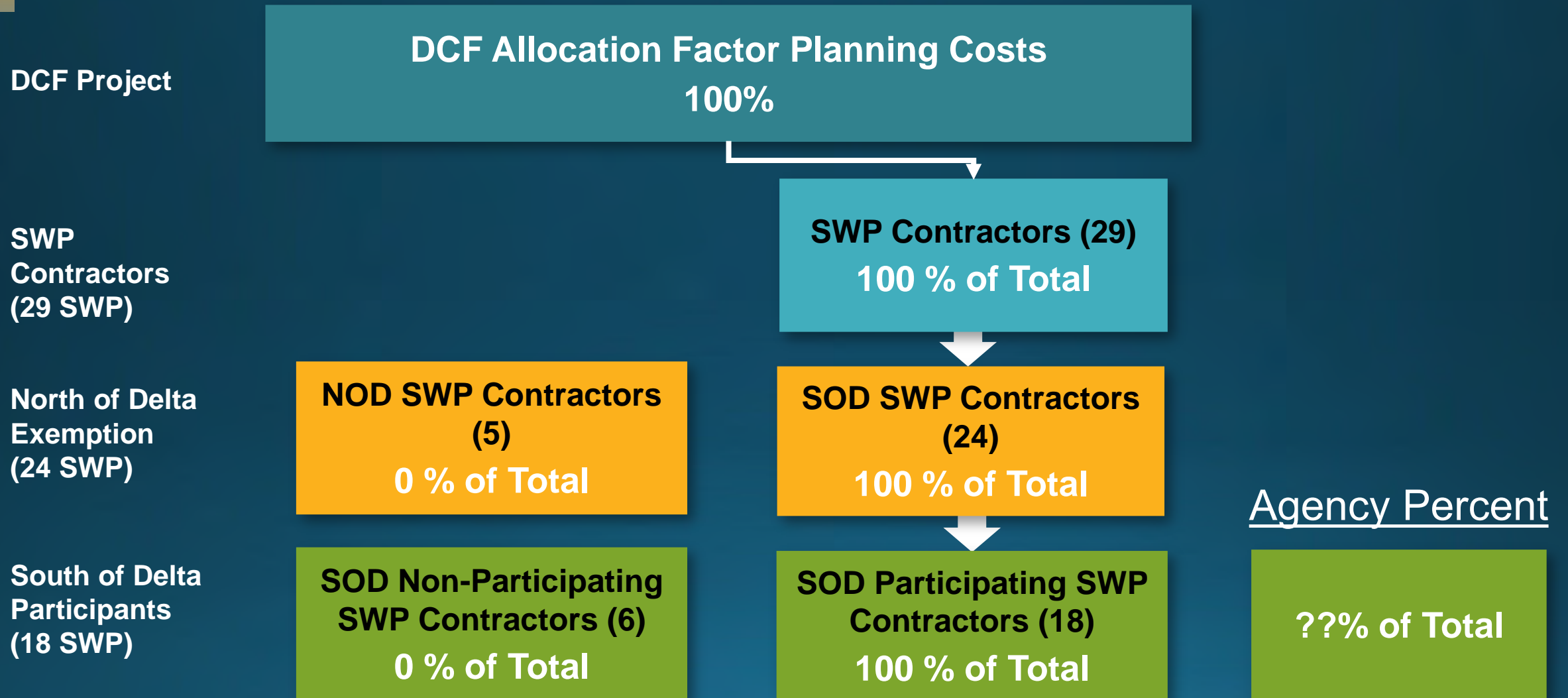
# DCA Governance Changes



# DCA Governance Changes

- Change the number of DCA Board of Directors from five (5) to seven (7)
- Convert the existing 'non-SWP capacity' and at-large SWC seats
  - One (1) seat for Class 2 members, except Santa Clara Valley Water District
  - One (1) seat for Classes 3, 5, and 7
- Add two (2) at-large seats for Class 8 members
- Continue one (1) seat each for:
  - Kern County Water Agency
  - Metropolitan Water District of Southern California
  - Santa Clara Valley Water District

# DCF Allocation Factor (%) – Planning Costs



# Summary

- Project Schedule – ROD/NOD mid-2023
- Project Benefits (yield) – Current modeling shows that DCP improves yield under 5 different scenarios
- Project Cost
  - Planning costs over 4 years = participation percent of \$385M
  - Project cost estimated at \$15.9B
- Funding Agreement
  - SOC (rebill for 2021)
  - Lump Sum or Pay-go
  - Two years or 4 years
- Member Unit Board actions in October
  - Other participants expect that construction participation will be at the same level as participation in the planning phase unless there is significant change in the project or its costs.

# **Overview and Summary of the Delta Conveyance Project**



**Kern County Water Agency  
October 2020**

## Introduction

This fall public water agencies (PWAs) south of the Sacramento-San Joaquin Delta (Delta) that contract with the California Department of Water Resources (DWR) for water supplies from the State Water Project (SWP) are being asked to decide whether to participate in the single tunnel Delta Conveyance Project (DCP). To determine the Kern County Water Agency's (Agency) participation in the DCP, Member Units must decide at what level they wish to participate.

Unlike the similar and recent California WaterFix (WaterFix) project, the DCP does not have the required planning and environmental work completed and it is not at the same level of project planning as the WaterFix. Therefore, at this time PWAs are being asked to commit to fund a share of the planning and environmental review costs.

If the DCP moves to construction, PWAs and the Member Units will be asked to make a second decision whether to participate in the project and obligate their district to a share of the construction costs.

The information herein describes the proposed project, yield, estimated costs, and schedule for completion of the planning and environmental review processes. Specifically, this Overview and Summary of the Delta Conveyance Project includes the following sections:

- Background on the Proposed Delta Conveyance Project
- Planning and Environmental Review Schedule
- Estimated Cost of the Planning and Environmental Process
- Preliminary Benefits of the Proposed Project
- Preliminary Estimated Construction Costs of the Project
- Status of Geotechnical Information
- Necessary Agreements
  - Draft Agreement in Principle
  - Funding Agreements
  - Amendment to the Delta Construction Authority Joint Powers Agreement
- Description of Commitment

## OVERVIEW

On July 21, 2017, DWR approved the WaterFix, which would construct two 35-mile long tunnels and associated facilities to move water from the Sacramento River under the Delta to SWP and Central Valley Project (CVP) pumping facilities. The Agency Board of Directors (Board) approved participation in the WaterFix but did not become a member of the Delta Conveyance Design and Construction Authority (DCA). The Agency Board also did not authorize participation in agreements to fund a share of the preconstruction planning activities associated with the WaterFix. However, a small subset of SWP contractors joined the DCA in 2018. At that time, the WaterFix had approvals under the Endangered Species Act, California Environmental Quality Act (CEQA), and California Endangered Species Act and was preparing to begin preliminary engineering design work.

In January 2019, Governor Newsom announced during his State of the State address that he did not support the WaterFix as configured but did support a one tunnel conveyance project. In May 2019, DWR rescinded its

approvals of the WaterFix and began planning for a single tunnel option. Shortly thereafter, DWR began public negotiations with the SWP PWAs to agree on a framework, referred to as an Agreement in Principle (AIP), for the amendment of SWP water supply contracts to allocate costs and benefits in the event that a single tunnel facility was ultimately approved. The AIP will be the basis for a contract amendment only if the DCP is ultimately approved and after all necessary environmental review is completed.

In January 2020, DWR released a Notice of Preparation (NOP) for an Environmental Impact Report (EIR) pursuant to CEQA for a single tunnel project with 6,000 cubic feet per second (cfs) of capacity referred to as the DCP. DWR is currently conducting the planning and environmental review for the DCP with the assistance of the DCA.

After 15 public negotiation sessions, DWR and PWAs developed a draft AIP that contains provisions for the allocation of costs and benefits for the DCP if it successfully completes the required planning and environmental processes. The draft AIP allows PWAs an option to: 1) execute a contract amendment to participate in the DCP at an amount equal to or greater than each PWA's Table A percentage, or 2) opt out of the DCP costs and benefits entirely. Because the Agency holds contracts for both municipal and industrial and agricultural water supplies, the Agency may opt in for one supply and out for the other.

The draft AIP includes an allocation factor table with the name of each PWA and a blank space to fill in the participation percentage they choose as their level of participation in the costs and benefits of the DCP planning and environmental review process based on the options described above. The current proposed project would serve only the SWP. The CVP has not indicated an interest in participating in the DCP at this time.

To complete the AIP and proceed with the planning and the environmental review processes DWR is asking SWP contractors to fill in the allocation factor table in the AIP with the percentage of each SWP contractor's desired participation level in the DCP.

Included in the discussion below is a description of the proposed project, schedule for completion of the planning and environmental review processes, current estimated costs, the DCP's modeled yield, and a description of the AIP. After completion of the environmental processes in mid-2024 the AIP will be converted into contract amendment language and SWP PWAs will consider a formal amendment to their water supply contracts consistent with the AIP.

In addition to making a decision on participation level for the planning and environmental review phase, DWR is requiring that SWP PWAs who choose to participate in the DCP enter into a new funding agreement with DWR for their percentage of the planning and environmental review processes. These funds would support the work of DWR and the DCA. The participating SWP PWAs would be reimbursed or receive a credit for the advanced funds upon the sale of revenue bonds to pay for construction of the DCP. If the DCP does not proceed to construction the advanced funds cannot be recovered.

The SWP PWAs have been discussing amendments to the joint powers agreement that created the DCA to better fit the governance needs of the current project. The proposed amendments would change the governance structure to reflect the CVP's decision to not participate in the DCP but leaves open the possibility of the CVP joining the DCP at a later date.

## Discussion

### BACKGROUND ON THE PROPOSED DELTA CONVEYANCE PROJECT

As described in DWR's NOP, the proposed DCP would construct and operate new conveyance facilities in the Delta that would add to, and be operated as part of, the existing SWP. The new facilities would provide an alternate diversion point for the SWP on the Sacramento River and would be operated in coordination with the existing south Delta pumping facilities. Figure 1 shows these facilities with the two possible tunnel alignments currently under consideration.

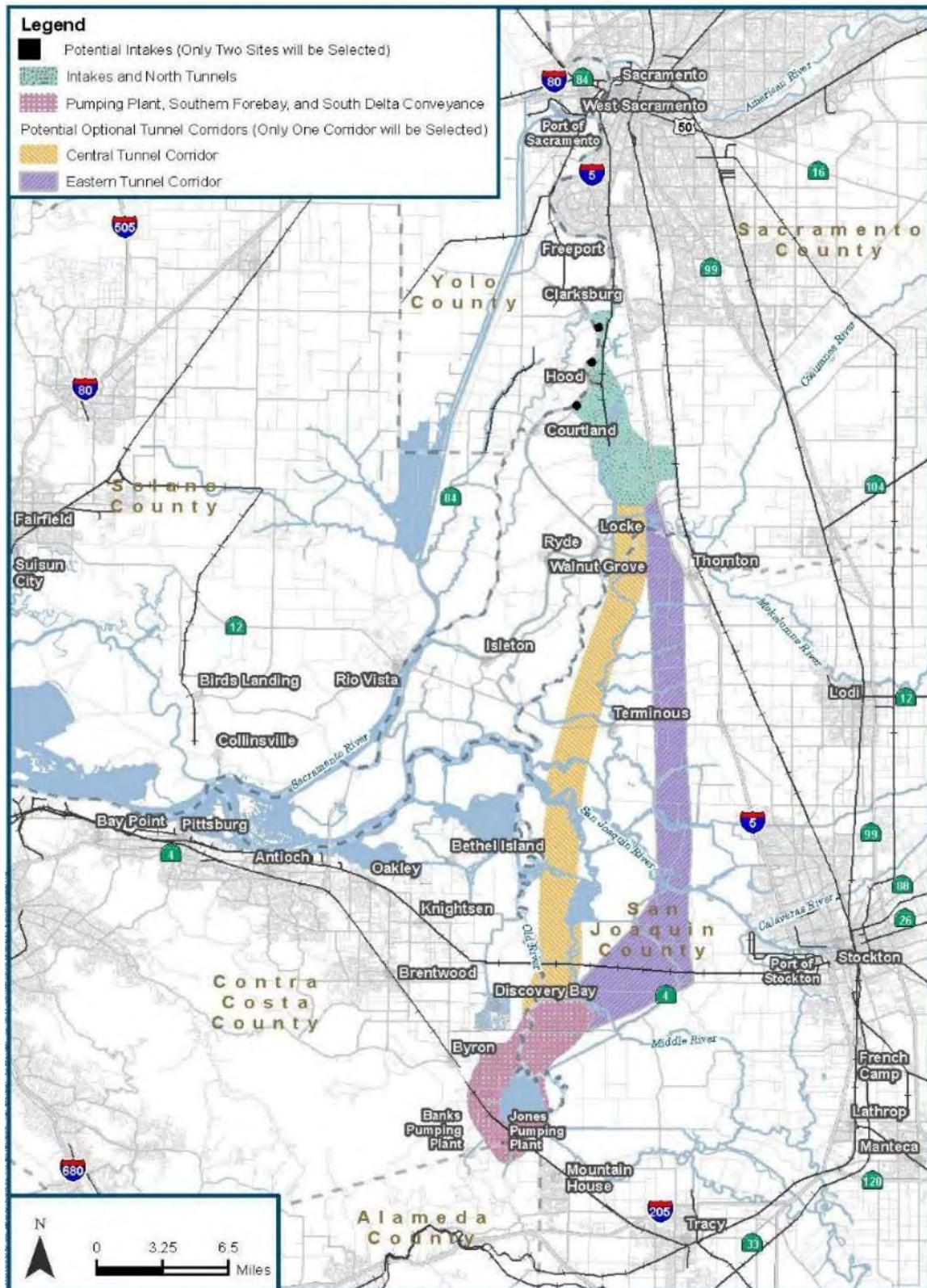
The new intakes and tunnel are proposed at 6,000 cfs and would include: two 3,000 cfs intakes, one tunnel, intermediate and southern forebays, a new pumping plant and other ancillary facilities. DWR is considering alternatives as part of the environmental review process, with capacities ranging from 3,000 cfs to 7,500 cfs, and with and without participation by the CVP.

DWR's objective in proposing the DCP is to protect the SWP's ability to deliver water south of the Delta.

To achieve this purpose the NOP lists several project objectives:

- Address anticipated rising sea levels and other reasonably foreseeable consequences of climate change and extreme weather events.
- Minimize the potential for public health and safety impacts from reduced quantity and quality of SWP water deliveries, and potentially CVP water deliveries, south of the Delta resulting from a major earthquake that would breach Delta levees and allow brackish water into the areas in which the existing SWP and CVP pumping plants operate in the southern Delta.
- Protect the ability of the SWP, and potentially the CVP, to deliver water when hydrologic conditions result in the availability of sufficient amounts, consistent with the requirements of State and federal law, including the California and federal Endangered Species Acts and Delta Reform Act, as well as the terms and conditions of water delivery contracts and other existing applicable agreements.
- Provide operational flexibility to improve aquatic conditions in the Delta and better manage risks of further regulatory constraints on project operations.





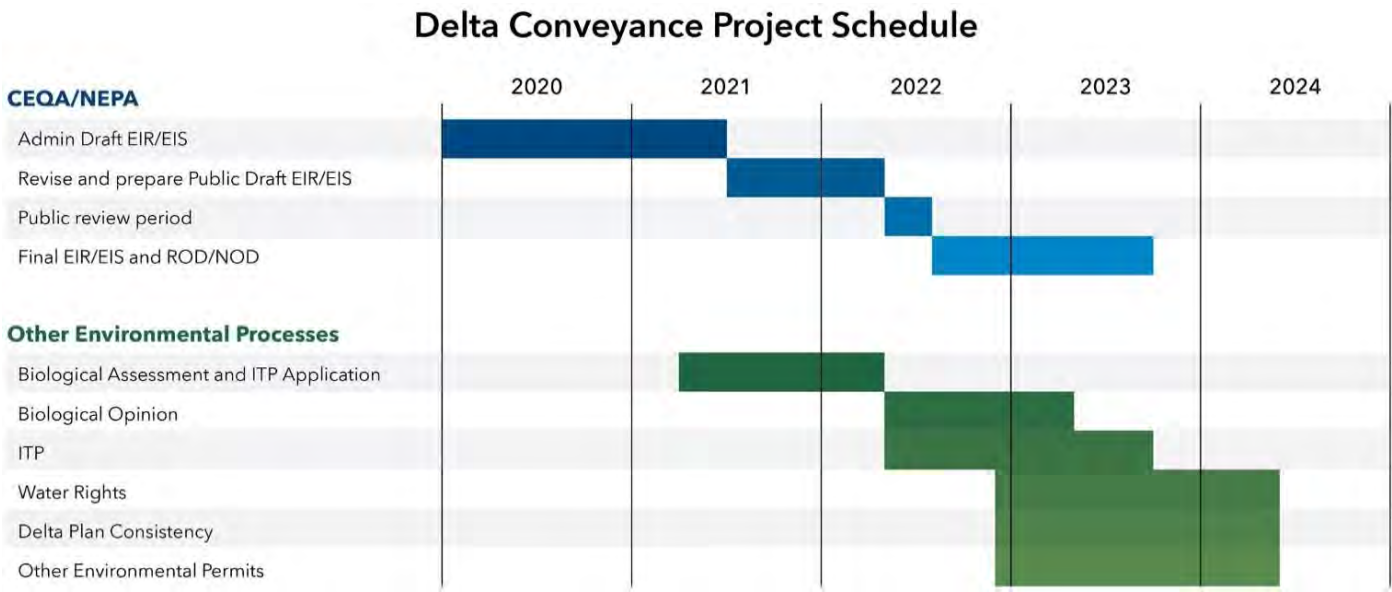
**FIGURE 1: Project Facilities with Alternative Alignments**



**SCHEDULE FOR PLANNING AND ENVIRONMENTAL REVIEW**

DWR’s preliminary schedule will produce a final CEQA Environmental Impact Report (EIR) in mid-2023 and complete other environmental review, permitting and regulatory processes in mid-2024 (Figure 2). If the DCP receives all necessary approvals and permits, it is anticipated that bids for early works could begin in late 2024 and construction could begin immediately following the conclusion of the validation action and issuance of bonds.

At present, DWR is engaged in a CEQA scoping process and has solicited comments on potential impacts and alternatives. DWR is screening and refining project alternatives to establish a reasonable range of alternatives that avoid or substantially reduce potentially significant impacts.



**FIGURE 2:** Delta Conveyance Project Schedule

**ESTIMATED COST OF THE PLANNING AND ENVIRONMENTAL PROCESS**

The costs for the planning and environmental process described in this section are based on the Delta Conveyance Project Schedule in Figure 2. These costs are the best estimates of the total cost of the planning and environmental review work and they are subject to change. Table 1 lists the costs expected to be paid by the PWAs between January 1, 2021 and the end of 2024. These costs include planning and environmental work through the record of decision at the end of 2023 and related preliminary design work through the end of 2024.

<b>PWAs</b> (includes only participating PWAs)	<b>2021</b>		<b>2022</b>		<b>2023</b>		<b>2024</b>	
	<b>Q1/Q2</b>	<b>Q3/Q4</b>	<b>Q1/Q2</b>	<b>Q3/Q4</b>	<b>Q1/Q2</b>	<b>Q3/Q4</b>	<b>Q1/Q2</b>	<b>Q3/Q4</b>
<b>Contractor (6 Month Total)</b>	\$36	\$43	\$43	\$43	\$55	\$55	\$55	\$55
<b>Contractor (12 Month Total)</b>	\$79		\$86		\$110		\$110	
<b>Contractor Totals</b>								\$385

**TABLE 1:** Current and Projected Planning Costs in Millions

### PRELIMINARY BENEFITS OF THE PROPOSED PROJECT

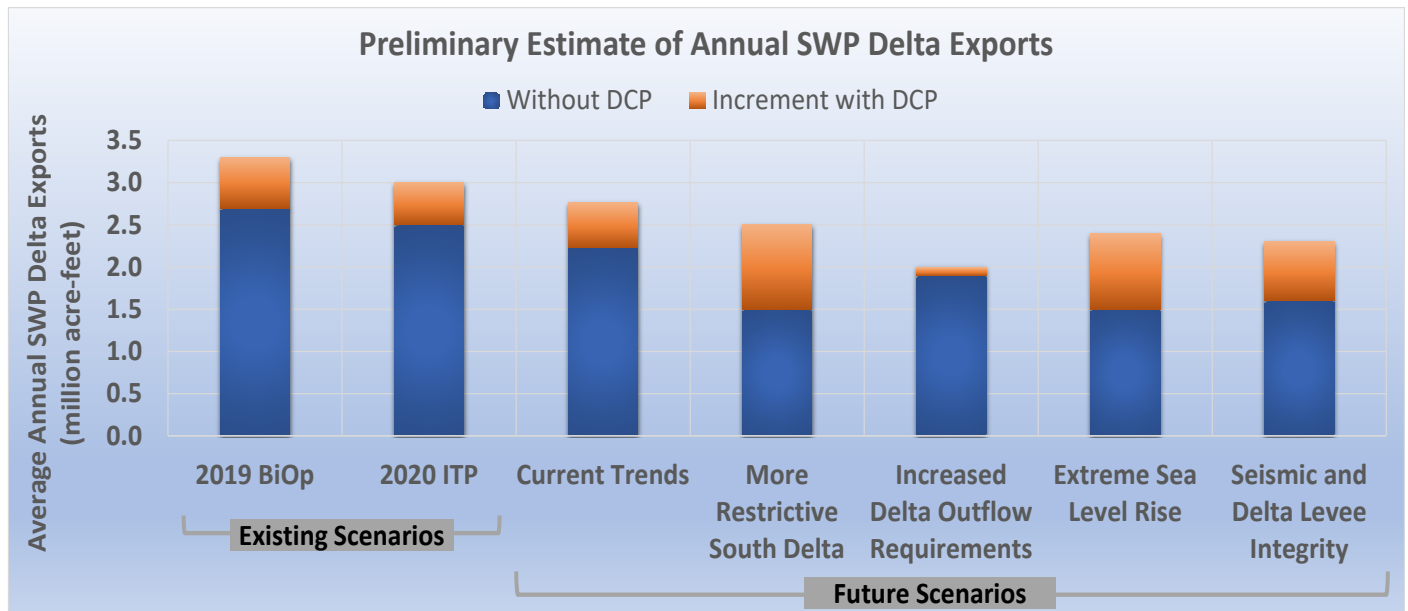
DWR has not yet defined the project operations for the DCP and has not completed the regulatory processes that may impact those operations. As described in the NOP, the primary objective of the DCP is to restore and protect the ability to deliver SWP water supplies to the south-of-Delta PWAs. The DCP also is expected to improve the reliability of the SWP under multiple future risks that may occur with low frequency but can have high impact (e.g. seismic risks in the Delta) or risks with sustained impacts (e.g. climate change and sea level rise or Delta regulations). It is not possible to know the exact future conditions under which the DCP would operate but the conditions are likely a combination of many known and unknown risks.

The SWP PWAs conducted a preliminary modeling analysis of the SWP water supply changes under a range of existing and future scenarios to help assess the DCP's ability to maintain or improve reliability and resiliency of the SWP. The selected range of future scenarios are intended to represent potential SWP operating conditions under future regulations, climate change and sea level rise, and seismic risks.

Each of the selected future scenarios were modeled with and without the DCP. For modeling purposes, the DCP was assumed to have 6,000 cfs diversion capacity and north Delta operations criteria consistent with those approved for the WaterFix<sup>1</sup>. The proposed project that DWR will ultimately select, including its operational criteria, may be different than the project modeled for this analysis. The CalSim II model was used to develop coarse estimates of potential water supply changes with the DCP. As the proposed project is further defined and permitted, and modeling is improved, the estimated water supply benefits available from the DCP may change.

<sup>1</sup>These modeled operations included operations required by the federal biological opinions and CESA incidental take permit developed for the north delta diversion proposed as part of the California WaterFix.

Figure 3 shows preliminary modeled average annual SWP exports under existing and future scenarios and the corresponding increment resulting from the DCP. The Current Trends<sup>3</sup> future scenario, which provides a reasonable representation of the conditions expected at the start of the DCP operations, indicates approximately 500 TAF increase in annual SWP exports per year on average with the DCP, with the greatest increase in the wetter years. On average, about 60% of the increased SWP deliveries are Table A supplies and 40% are Article 21 supplies.



**FIGURE 3:** Estimated Annual SWP Delta Exports

The preliminary modeling results shown in Figure 3 indicate that the DCP would potentially increase SWP export reliability or mitigate losses under many of the plausible future risk scenarios. The modeling of the future scenarios indicates that on average, the DCP is estimated to result in about 100 TAF to 1 MAF per year of increased SWP exports under greater Delta regulations scenarios in the future, about 700 TAF per year under seismic risks and long-term south Delta export disruption due to long-term Delta island flooding, and about 900 TAF per year under extreme sea level rise in the future.

Preliminary water supply estimates also indicate that the DCP would maintain existing water supply reliability under a broad range of future conditions that may occur during the life of the DCP<sup>4</sup>. Without the DCP, SWP exports are estimated to be reduced by about 300 TAF to 1 MAF per year on average under various future scenarios modeled due to regulatory changes, sea level rise in the Delta, and seismic risk. When the DCP was included, estimated annual SWP exports in the future scenarios were similar to the existing export values under most scenarios as shown in Table 2, demonstrating the improved resilience of the SWP with the DCP.

In addition to the water supply benefits estimated above, the DCP is expected to provide additional benefits including improved flow patterns in the south Delta for fisheries, operational flexibility to capture peak storm

<sup>3</sup> The Current Trends scenario assumes operating to the current regulatory requirements including 2019 federal biological opinions for the CVP and SWP, and 2020 incidental take permit for the SWP, the existing Delta levee configuration, and a projected climate change and sea level rise estimated for 2040.

<sup>4</sup> Extreme Sea Level Rise scenario assumes projected sea level rise value of 140 cm at about 2065. The future scenarios selected for this analysis are not intended to fully encompass all the future conditions during the life of the DCP.

flows, water quality improvements for SWP deliveries, conveyance capacity for water transfers and potential carriage water savings. As the DCP is further defined and the modeling is better developed, these water supply estimates will change.

<b>Estimated Annual SWP Exports (MAF/Yr)</b>			
	<b>Without DCP</b>	<b>With DCP</b>	<b>Difference</b>
<b>Existing SWP (ITP)</b>	2.5	3.0	0.5
<b>Current Trends</b>	2.23	2.76	0.53
<b>More Restrictive South Delta</b>	1.5	2.5	1.0
<b>Increased Delta Outflow Requirements</b>	1.9	2.0	0.1
<b>Extreme Sea Level Rise</b>	1.5	2.4	0.9
<b>Seismic and Delta Levee Integrity</b>	1.6	2.3	0.7
<b>Minimum</b>	1.5	2.0	
<b>Maximum</b>	2.23	2.76	
<b>Average</b>	2.0	2.6	

**TABLE 2:** Preliminary Modeled Average Annual SWP Exports Under the Future Scenarios With and Without the DCP Compared to the Existing Scenario

## **PRELIMINARY ESTIMATED CONSTRUCTION COSTS OF THE PROJECT**

The DCA, following industry standards, developed preliminary cost information based on the level of engineering currently available for the DCP. It is important to emphasize that the DCA is still very early in the planning process and the preliminary cost estimate is only a snapshot based on the current status of the proposed project. This snapshot of costs is not representative of the final conceptual design, the final mitigation costs, or other cost items such as the community benefits fund, DWR planning costs, or financing costs. The snapshot includes an estimate for construction costs with contingency, soft costs, and preliminary environmental mitigation costs in undiscounted 2020 dollars.

The proposed project features included in the cost information are as follows:

- Two intakes at 3,000 cfs each, for a total capacity of 6,000 cfs
- 42 miles of tunnels and associated shafts
- Southern Complex Facilities:
  - Pump Station
  - Forebay
  - Connections to existing California Aqueduct

The DCA cost information includes a 38% composite contingency for unforeseeable elements of cost within the construction cost estimate. The DCA has provided its best estimate for unknown items where professional experience indicates that there will likely be additional costs incurred. The DCA identified contingency levels for each feature of the DCP listed above to reflect the uncertainty at the time the cost information was developed. The DCA's contingency reflects its assessment of the DCP's design status, identified risks, and professional

judgment of unforeseeable elements of cost. As the engineering work advances and the unknown elements of the proposed project are revealed or resolved, contingency levels will decrease, and the identified project elements will be included in the construction estimates.

It is the DCA's opinion, based on the information available to the DCA today and the estimated contingency levels, that there is a 50% probability that the DCP will cost \$15.9 billion to construct in 2020 dollars.

AECOM reviewed the DCA estimate and found that based on industry standards the cost range may be reduced between \$2.1 to 4.2 billion. AECOM's assessment did not perform a bottom up estimate of the project but reviewed the cost estimate in light of industry standards, in particular contingencies. The AECOM work found that the DCA estimate assumed a conservative design, included design element risk mitigation, and additionally added a 38 percent contingency. This resulted in roughly a 44 percent contingency for the DCA estimate. The AECOM work serves as a useful guidepost for identifying a possible range of costs but should not be considered as a cost estimate for the DCP.

As the planning and environmental review proceeds, more information will become available to inform potential construction and associated costs allowing the cost information to be updated and refined.

## **STATUS OF GEOTECHNICAL INFORMATION**

Better geotechnical information is often cited as the most important information necessary to improve the design of the DCP and to better estimate its costs. Without adequate geotechnical information, engineers choose conservative methods and cost estimate approaches for construction of facilities such as the intakes on the Sacramento River, and for choosing a tunnel alignment.

Geotechnical information at the intake sites is essential to determine the appropriate ground preparation and accurately assess the cost of the intake structures. Geotechnical information also is critical to the choice of alignments, and to estimate the daily speed of advance, expected materials the tunnel boring machine cutting head will encounter, the expected frequency of repair of the cutting heads and the general conditions in which the tunnel boring machines will be expected to work.

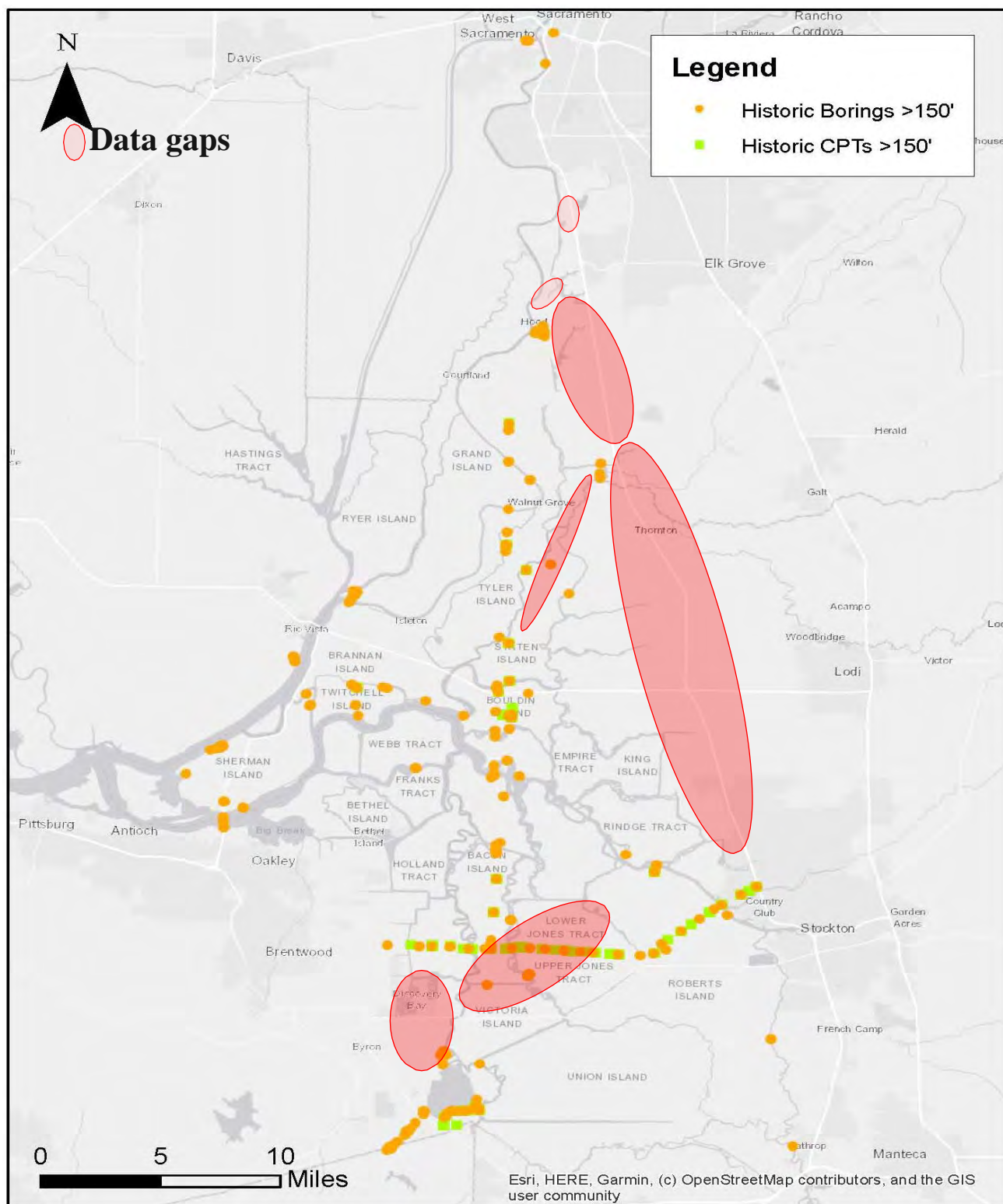
DWR and the DCA have begun their 2020/2021 geotechnical plan under an Initial Study (IS) and Mitigated Negative Declaration (MND). The 2020/21 geotechnical plan focuses on supplementing DWR's existing geotechnical databases, supplementing the data along the two proposed DCP alignments and validating the DCA's geophysical methods.

The 2021 geotechnical plan seeks to fill data gaps described in Figure 5 which describes areas where geotechnical data already exists from a variety of sources and areas where new geotechnical data is needed. The DCA has used existing geotechnical information from Caltrans, USGS, and other agencies for its preliminary work, but that data is insufficient for more advanced design and engineering work.

The DCA is working to fill data gaps on both potential alignments and the landside intake locations. The DCA expects to optimize the design of sheet piles at the intakes, validate tunnel reach lengths and tunnel boring advance rates, and gain a better understanding the tunnel material that will be extracted during construction and validate its potential use as construction material for other locations throughout the project.

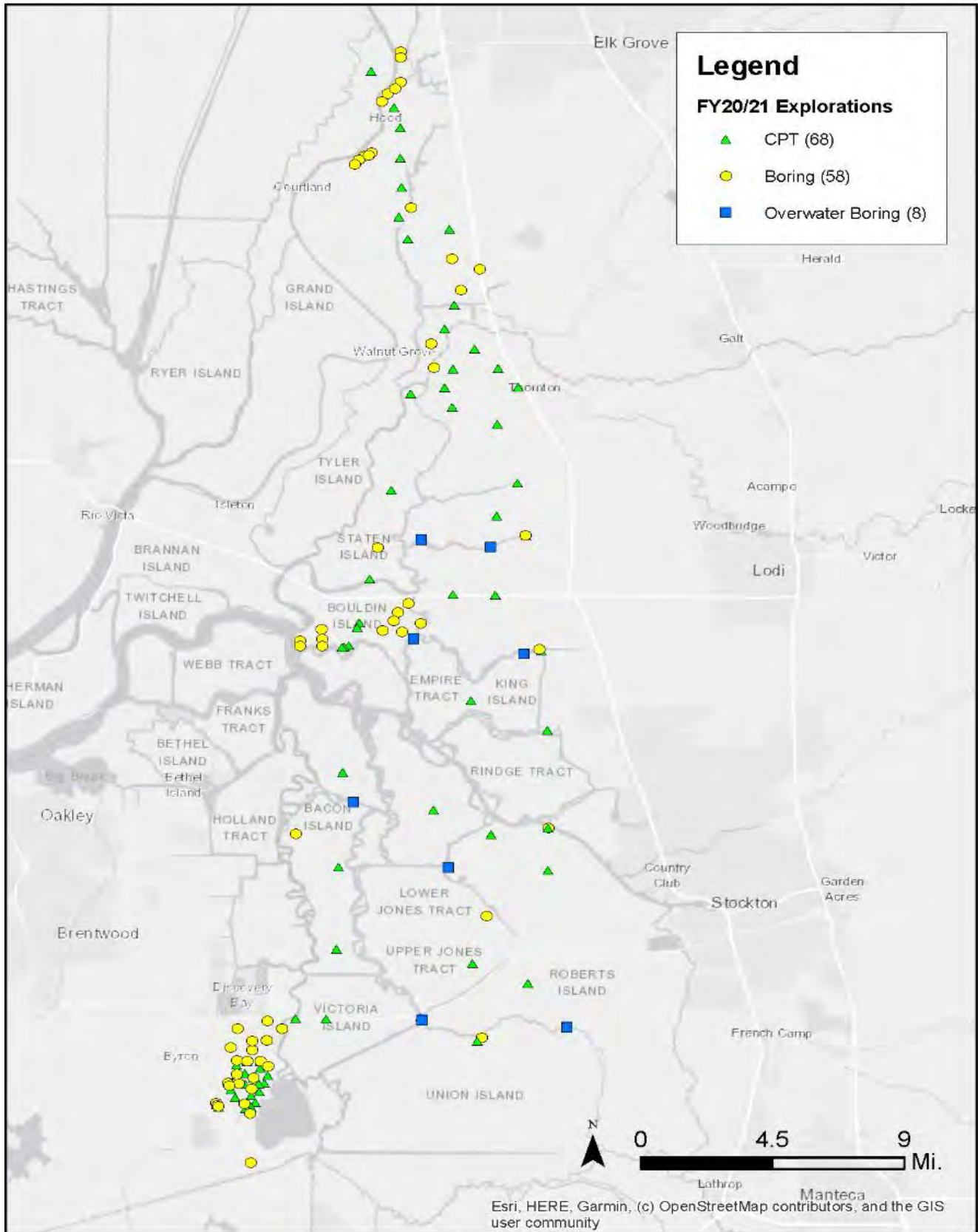
The 2020/21 geotechnical plan is based on the 2019 IS/MND and is shown in Figure 6. The 2020/21 geotechnical plan includes 8 over-water borings at 200 feet of depth and 58 land borings up to 200 feet in depth and plans to use multiple surface methods for soil investigation and buried object detection. The geotechnical program also

will test the use of satellite data on three Delta islands to determine if it can improve geotechnical information gathering through increased speed or better accuracy.



**FIGURE 5: Gaps in Geotechnical Information**

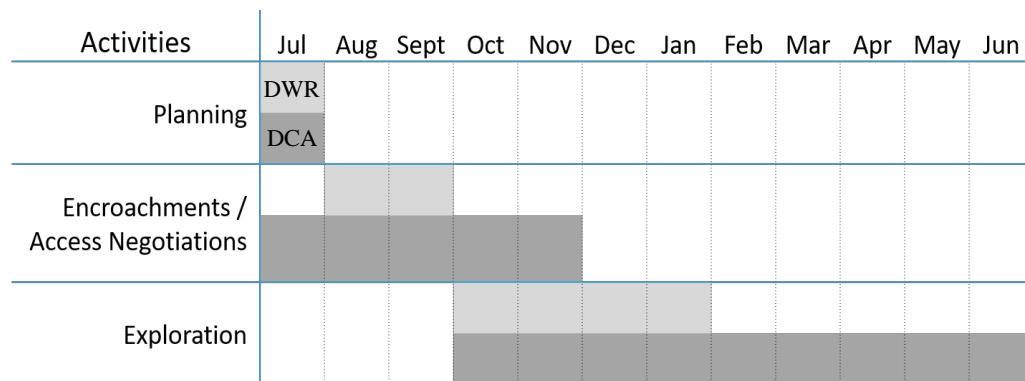




**FIGURE 6: 2020-21 Geotechnical Exploration Program**



The schedule for the 2020-21 geotechnical plan is presented in Figure 7 and includes work that will be performed by DWR and DCA.



**FIGURE 7: 2020-21 Geotechnical Investigation Schedule**

## Necessary Agreements

### DRAFT AGREEMENT IN PRINCIPLE

In 2019, DWR and the SWP PWAs entered the public process of negotiating a proposed amendment to the SWP water supply contracts for the DCP. When concluded, the public negotiation process is expected to result in a final AIP among DWR and the PWAs that describes a conceptual approach to cost allocation and the financial and water management issues related to the DCP. The negotiations have been ongoing and are anticipated to be completed with the population of the Delta Conveyance Facility Allocation Factors table within the AIP which will be based on each PWA's determination of participation in the DCP. This table lists each PWA DCP participation percentage, which is equivalent to their allocation percentage of DCP costs and benefits. Actual water supply contract amendment language will be developed following approval of the AIP. Key elements of the draft AIP include the following:

- An option for SWP PWAs to opt out of the costs and benefits of the proposed project, meaning those who opt out have zero in the AIP allocation table and will not pay any costs or receive any benefits.
- An option for SWP PWAs to opt into the DCP costs and benefits. Participating SWP PWAs must commit to at least 100% of their Table A percentage for either their municipal and industrial and/or agricultural Table A amounts.
- An option for SWP PWAs to opt to participate at a level above 100% of their Table A amount to the extent that other SWP PWAs do not participate and there is unsubscribed Table A percentage available. For example, if an SWP PWA decided to participate in the proposed project at 110% of that SWP PWA's Table A amount, the SWP PWA would be in for a minimum of 100% of its Table A percentage plus the additional 10% only if other SWP PWAs decided to opt out leaving some Table A amounts unsubscribed. Based on discussions among the SWP PWAs during the past year it appears likely that certain SWP PWAs will opt out leaving some amount of Table A unsubscribed and available to other SWP PWAs.

- If approved following environmental review, a description of how the proposed project will be constructed and operated as an integrated component of the SWP and any contract amendment will go into effect no sooner than the transition date in the Contract Extension Amendment.
- A description of how DWR will determine the amount of water attributable to the DCP each year, which will inform what is available for DCP participants.
- A description of the details of how costs will be determined and charged, including that participating SWP PWAs will be responsible for costs equal to each of their proportionate shares of the project.
- A description of the benefits of the project that participants will receive, including water, both Table A and Article 21, attributable to the proposed project, conveyance capacity in the new facility, and other benefits as described above.

A copy of the draft AIP is attached as Appendix A.

## **FUNDING AGREEMENTS**

As indicated above, DWR is requiring that those SWP PWAs who choose to participate in the proposed project enter into a funding agreement to advance funds for planning and environmental review of the DCP through 2024. As described in Table 1 the current estimate for the planning and environmental review costs is \$385 million. The Agency's share of these costs would be based on its level of participation in the DCP. For example, if Member Units' participation equals 40% of the Agency's total Table A amount, the Agency share of the costs would be \$37,310,812 ( $40\% \times 24.22785\% \times \$385M = \$37,310,889$ ). These costs will be allocated to the Member Units based on the percent of their Table 1 amounts they choose to include in DCP participation.

Pursuant to the funding agreement with DWR, the Agency has the option to approve advancing either the entire amount, or the amount for the first two years. Because the costs are not evenly distributed over all four years of the planning and environmental review process, the cost over the first two years is less than half of the total \$385 million. Based on the information presented in Table 1, the cost of the first two years is \$165 million. Using the 40% participation example from above, the Agency's costs for the first two years would be \$15,990,348 ( $40\% \times 24.22785\% \times \$165M = \$15,990,381$ ).

If the Agency chooses the two-year funding option, at the end of two years the Agency would be required to notify DWR in writing of its intent to continue funding the planning and environmental costs for the final two years.

These funds would support the planning and environmental review work of the DCA and DWR. Participating SWP PWAs would be reimbursed or receive a credit for the advanced funds upon the sale of revenue bonds to pay for the DCP. If the DCP does not proceed, the advanced funds cannot be recovered.

## **AMENDMENT TO THE DELTA CONSTRUCTION AUTHORITY JOINT POWERS AGREEMENT**

In May 2018, certain SWP PWAs entered into a Joint Powers Agreement (JPA) and formed the DCA, whose purpose was to participate with DWR in the design and construction of the WaterFix. The DCA subsequently entered into a Joint Powers Agreement with DWR (JEPA) to perform those functions. Shortly after DWR rescinded its approvals of the WaterFix based on the Governor's support for a single tunnel project, the JEPA was amended and its purpose shifted to provide preliminary design, planning and other preconstruction activities to assist the

environmental process for the DCP. Because of the shift to a single tunnel project, issuance of the NOP, and completion of a draft of the AIP, staff for participating SWP PWAs are discussing an update to the JPA that formed the DCA. There is a desire to reorganize the governance structure to better reflect the updated participation levels in the proposed project.

The proposed amendments would increase the number of seats on the DCA Board of Directors from 5 seats to seven as follows.

Kern County Water Agency	1 vote
Metropolitan Water District	1 vote
Santa Clara Valley Water District	1 vote
Class 2 (except Santa Clara)	1 vote
Classes 3, 5 and 7	1 vote
Class 8	2 votes

A majority of the members of the DCA board constitute a quorum for the purpose of conducting business and for most board decisions. Details regarding reconsideration of votes is still under discussion among the SWP PWAs.

## Description of the Commitment

DWR has informed the SWP PWAs that it will not fund the continuing planning and environmental review work for the DCP after December 31, 2020. DWR is asking the SWP PWAs to formally express their desire to participate in the project through an act of their boards of directors by the end of 2020, and to begin funding the planning and environmental review work on January 1, 2021.

The Agency is asking its Member Units to determine whether to participate in the DCP, and at what level, at their October board meetings.

Some Member Units have asked if committing to fund a share of the planning and environmental review costs also commits them to funding the same share of the construction costs. A decision to participate in the construction costs is not possible at this time and cannot be made until the CEQA environmental review process is complete and a record of decision has been issued by DWR. The expectation by other participating SWP PWAs is that unless the EIR/S findings and recommendations result in a project that is substantially different than the project as it is currently understood, participation in construction of the project will be at the same level as the planning phase for the entire term of construction.

# **Appendix A**

## **Agreement In Principle**

## **AGREEMENT IN PRINCIPLE**

April 30, 2020

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

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

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

#### **AIP Objective:**

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

#### **AIP Outline:**

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

- I. Definitions
- a. **Clifton Court Forebay** shall mean the existing State Water Project diversion at Clifton Court Forebay facility through its intake located on Old River in the southern Delta and the associated Skinner Fish Facility.
  - b. **Delta** shall mean the Sacramento-San Joaquin Delta as defined in Section 12220 of the California Water Code on the date of approval of the Bond Act by the votes of the State of California.
  - c. **Delta Conveyance Facility (DCF)** shall mean those facilities of the State Water Project consisting of a water diversion intake structure, or structures, located on the Sacramento River and connected by facilities to Banks Pumping Plant in the southern Delta with a single tunnel that will serve the water supply purposes of the State Water Project.
  - d. **DCF Benefits** shall mean those water supply and capacity benefits attributable to the DCF including but not limited to: (1) Table A water supplies; (2) Article 21 water supplies; (3) carriage water savings; (4) reliable water supply and use of DCF available capacity in the event of a temporary or permanent physical, regulatory, or contractual disruption of southern Delta diversions; and (5) use of DCF available capacity to move non-project water through the proposed DCF.
  - e. **Fair Compensation** shall include but is not limited to capital recovery, operations and maintenance, replacement, and variable charges associated with the use of the DCF capacity.
  - f. **State Water Project (SWP)** shall mean the State Water Resources Development System as described in California Water Code section 12931.
  - g. **State Water Project Contractor Public Water Agencies (PWAs)** shall include the 29 entities holding State Water Project Water Supply Contracts with the Department of Water Resources.
- II. Objective 1 - Availability of an option to opt out of costs and DCF Benefits
- a. This AIP makes available to each PWA an option to opt out of the costs and benefits of the DCF through a contract amendment that establishes a Statement of Charges (SOC) percentage of DCF Benefits based on the percentages in the Delta Conveyance Allocation Factors table to water attributable to the DCF, as described in Section VI of this AIP.
  - b. PWAs indicating an intent to opt out of costs and benefits of the DCF shall be described in Section VI(a) of this AIP.
  - c. An option to opt out of DCF costs and benefits are limited such that a PWA must opt out of at least a minimum 100% of its Municipal and Industrial Table A or 100% of its Agricultural Table A. This provision doesn't prohibit a PWA from taking more than their Table A share, if available, in the Delta Facilities Allocation Factor table.
- III. Objective 2 - Availability of an option to assume additional costs and benefits of the DCF
- a. This AIP makes available to each PWA an option to assume additional costs and benefits of the DCF through a contract amendment that establishes additional costs on the SOC in exchange for DCF Benefits based on the percentages in the Delta Conveyance Allocation Factors table to water attributable to the DCF, as described in Section VI of this AIP.
  - b. PWAs indicating an intent to assume DCF costs and benefits shall be described in Section VI(b) of this AIP.
- IV. Objective 3 - Pursuit of State Water Project Delta Conveyance Facilities under the State Water Project Water Supply Contracts

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

V. Objective 4 - Delta Conveyance Facility billing

- a. These costs would be billed to and collected from SWP PWAs consistent with the Delta Facilities Allocation Factor table below through their annual SOC.
- b. **Delta Conveyance Facilities Charge Components:** All capital and minimum operations, maintenance, power and replacement (OMP&R) costs associated with the DCF are 100% reimbursable and shall be recovered by DWR from PWAs through their annual SOC's consistent with the Delta Facilities Allocation Factor table. These costs shall be allocated to and billed under two new charges as follows:
  - (1) Delta Conveyance Facilities Capital Charge Component.
  - (2) Delta Conveyance Facilities Minimum OMP&R Component.
- c. **Delta Conveyance Facilities Capital Charge Component Method of Computation**
  - 1. This computation will recover actual annual debt service created by financing activities (Financing Method) for DCF.
  - 2. Each Financing Method shall provide an annual repayment schedule, which includes all Financing Costs.
  - 3. Financing Costs shall mean the following: Principal of and interest on Revenue Bonds, debt service coverage required by the applicable bond resolution or indenture in relation to such principal and interest, deposits to reserves required by the bond resolution or indenture in relation to such Revenue Bonds, and premiums for insurance or other security obtained in relation to such Revenue Bonds.
- d. Financing Method shall be divided into four categories: DCF Capital Costs paid with the proceeds of Revenue Bonds; DCF Capital Costs paid with amounts in the State Water Resources Development System Reinvestment Account; DCF Capital Costs paid annually for assets that will have a short Economic Useful Life or the costs of which are not substantial, and DCF Capital Costs prepaid by the PWAs consistent with the Delta Facilities Allocation table.



- e. DCF Capital Charge Component should be allocated to the PWAs in proportion to the Delta Conveyance Facilities Allocation Factors for each calendar year and consistent with the Delta Facilities Allocation Factor table.
- f. **Delta Conveyance Facilities Minimum OMP&R Charge Component Method of Computation**
  - 1. Recovery will be estimated and/or actual annual OMP&R costs determined for the DCF each year.
  - 2. DCF Minimum OMP&R Charge Component shall be allocated to the PWAs in proportion to the Delta Conveyance Facilities Allocation Factors for each calendar year.
- g. **Delta Conveyance Facilities Energy Charges:** The DCF energy costs are 100% reimbursable by the PWAs and the methodology will be determined by DWR, reviewed in the SWRDS Finance Committee, and approved by the Director.
- h. **Redetermination:** These charges shall be subject to redetermination.
- i. **Step-up:** PWAs that execute a contract amendment to opt out will not be allocated any portion of a step-up required in the event of a default on a DCF Capital Charge.
- j. **Delta Conveyance Facilities Allocation Factors:** The following table is a preliminary allocation of DCF participation percentages. Only PWAs with a greater than 0 percentage would be billed for DCF Charge Components through their annual SOC, using the Delta Conveyance Facility Allocation Factors described in the table. PWAs with a zero allocation factor would not be billed for repayment of costs for construction, operation and maintenance of facilities associated with DCF, except to the extent there is a permanent transfer of Table A which would increase a PWA from a greater than zero allocation factor through a subsequent contract amendment.

<b>Public Water Agency</b>	<b>Delta Conveyance Facilities Allocation Factors</b>
City of Yuba City	0
County of Butte	0
Plumas County FC&WCD	0
Napa County FC&WCD	0
Solano County Water Agency	0
Alameda County FC&WCD, Zone 7	
Alameda County Water District	
Santa Clara Valley Water District	
Dudley Ridge Water District	
Empire-West Side Irrigation District	0
Kern County Water Agency-Total	
County of Kings	0
Oak Flat Water District	0
Tulare Lake Basin Water Storage District	0
San Luis Obispo County FC&WCD	
Santa Barbara County FC&WCD	0
Antelope Valley-East Kern Water Agency	
Santa Clarita Valley Water Agency	
Coachella Valley Water District	
Crestline-Lake Arrowhead Water Agency	
Desert Water Agency	
Littlerock Creek Irrigation District	0
Mojave Water Agency	
Palmdale Water District	
San Bernardino Valley Municipal Water District	
San Gabriel Valley Municipal Water District	
San Geronio Pass Water Agency	
The Metropolitan Water District of Southern California	
Ventura County Watershed Protection District	
Total	100.000%

VI. Objective 5 - Delta Conveyance Facility Benefits Allocation

- a. PWAs that execute a contract amendment to opt out of DCF costs and benefits will agree, within that amendment, to the following:
  - i. Charges as set forth in Section V of this AIP will not appear on its SOC.
  - ii. Forego and waive any contractual rights to the following:
    - a. Right to or delivery of Project Water attributable to the DCF, provided that DWR determines that such water would not have been available for diversion at Clifton Court Forebay. This AIP will not modify the amounts within Table A but will memorialize

this limited reduction for DCF Benefits by adding a footnote to the PWA's Table A to reflect their zero allocation for DCF Benefits.

- b. Any contractual rights to or delivery of Article 21 Interruptible Water prior to the point(s) in time each year DWR determines that a volume of water equal to the volume of current year Project Water for Table A in San Luis Reservoir attributable to DCF in the SWP share of San Luis Reservoir storage will be displaced or evacuated by a quantity of exports equal to the quantity of exports from Clifton Court Forebay that would have been stored in San Luis Reservoir absent the DCF. Provided that, when Article 21 Interruptible Water supply is greater than demand from PWAs with a greater than zero Delta Conveyance Facility Allocation factor, Article 21 Interruptible Water will be made available to all PWAs based on Table A percentage.
  - c. Any contractual rights to or delivery of Article 21 Interruptible Water attributable to the DCF after a volume of water equal to the volume of current year Project Water for Table A in San Luis Reservoir attributable to DCF has been evacuated or displaced by the exports from Clifton Court Forebay that would have been stored in San Luis Reservoir absent DCF. Provided that, when Article 21 Interruptible Water supply is greater than demand from PWAs with a greater than zero Delta Conveyance Facility Allocation Factor, Article 21 Interruptible Water will be made available to all PWAs based on Table A percentage.
  - d. Right to use DCF conveyance capacity unused by DWR for SWP purposes to convey non-project water, except as provided in subsection h.
  - e. Right to use available DCF conveyance capacity to convey Project Water in the event that pumping directly from the south Delta is prevented or impaired by a physical, regulatory or contractual disruption, including but not limited to sea level rise, seismic events, flooding, or other uncontrollable event.
  - f. Right to carriage water savings that DWR determines are realized during its operation of any DCF for purposes of conveying Project Water.
  - g. Right to any credit from Fair Compensation collected by DWR for use of available DCF conveyance capacity.
  - h. Rights to use of the DCF, unless a subsequent contract with DWR is entered that provides for payment of Fair Compensation associated with such use.
- iii. For the North of Delta PWAs, DWR will not change the current administrative process for determining the availability of Article 21 due to the DCF. This process will be documented in the Article 21 administration that is distributed via a Notice to Contractors.
- b. PWAs that execute a contract amendment to assume costs and benefits of the DCF will agree, within that amendment, to the following:
    - i. Charges will appear on the SOC as set forth in the table in the percentages shown in Section V of this AIP.
    - ii. DCF Benefits in proportion to the percentage table in Section V of this AIP, including but not limited to:
      - a) Delivery of Table A amounts diverted at and conveyed through the DCF. This AIP will not modify the amounts within Table A but will memorialize this DCF Benefits

by amending the PWA's Table A with a footnote. The footnote will recognize each PWA's DCF Benefits consistent with the Delta Conveyance Facilities Allocation Factors.

- b) Article 21 Interruptible Water attributable to DCF.
  - c) Available DCF conveyance capacity unused by DWR for SWP purposes, to convey non-project water for ultimate use within that PWA's service area.
  - d) Carriage water savings that DWR determines are realized during its operation of any DCF for purposes of conveying Project Water.
  - e) Available DCF conveyance capacity to convey Project Water in the event that pumping in the south Delta is prevented or impaired by a physical, regulatory or contractual disruption, including but not limited to sea level rise, seismic events, flooding, or other uncontrollable event.
  - f) A credit from Fair Compensation collected by DWR for use of available DCF conveyance capacity.
- c. Nothing in this AIP changes Article 18(a) in the existing State Water Project Water Supply Contracts.

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

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

VIII. Other Provisions

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

IX. Environmental Review Process

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

At the end of the CEQA process and in compliance with CEQA, DWR and the PWAs will each individually evaluate the EIR and Contract Amendment, exercise their independent judgment, and determine whether or not to certify the EIR, approve the proposed project and sign the contract amendment or to approve an alternative project. Consequently, even though DWR and the PWAs have agreed to the AIP for the purposes described in the preceding paragraphs, DWR and each PWA retain their full discretion under CEQA to consider and adopt mitigation measures and alternatives, including the alternative of not going forward with the proposed project.

## **Attachment 1: Final White Paper**

### **I. Background**

This white paper describes current understanding of how the Department of Water Resources (DWR) would account for and administer the Delta Conveyance Facility (DCF) Benefits. DWR will include information regarding the accounting and administration of water attributable to DCF in relevant Notice(s) to State Water Project Contractors consistent with prior practice. No legally binding obligations are created by this white paper. This white paper may be updated from time to time by DWR, in consultation with the Public Water Agencies (PWAs), in response to factors including, but not limited to, changes in laws, regulations or permits applicable to DWR and/or the State Water Project (SWP). Capitalized terms not defined herein shall have the meanings ascribed to them in the DCF Agreement in Principle (AIP).

### **II. Draft Delta Conveyance Accounting and Administration Concepts**

The DCF will be integrated into the State Water Project and operated to provide maximum flexibility to meet water supply, regulatory requirements and contractual obligations. There are some PWAs that may opt out of the DCF Benefits and charges. For this reason, it will be necessary to account for DCF Benefits. DCF Benefits are described in the AIP and are “those water supply and capacity benefits attributable to the DCF including but not limited to: (1) Table A water supplies; (2) Article 21 water supplies; (3) carriage water savings; (4) reliable water supply and use of DCF available capacity in the event of a temporary or permanent physical, regulatory, or contractual disruption of southern Delta diversions; and (5) use of DCF available capacity to move non-Project Water through the proposed DCF.” To account for DCF Benefits, DWR will need to determine the amount of water attributable to the DCF. DWR will primarily use two tools: 1) **forecasting** Project Water attributable to the DCF for the coming year; and, 2) **accounting** for Project Water attributable to the DCF in a timely manner. Both are described below.

**A. Forecasting-** DWR will forecast, as shown below, to quantify the amount of Project Water attributable to DCF.

1. DWR anticipates that it will provide three water supply allocation forecasts:
  - a. North of Delta allocation that includes water attributable to the south Delta diversions (similar to current practice).
  - b. South of Delta allocation that includes water attributable to the south Delta diversions (similar to current practice).
  - c. Allocation of water attributable to the DCF.

2. The allocation forecasts will continue to be updated monthly and each forecast will include updated information on hydrology including runoff projections, SWP storage conditions, PWA demands, regulatory requirements, and actual exports attributable to the south Delta diversions and the DCF.

3. DWR will continue to include in the allocation forecasts any potential DCF capacity available for conveyance of non-Project Water.

4. Seasonal Forecast: Should conditions warrant additional forecasts, (i.e. wet hydrological conditions and/or DWR determines that San Luis Reservoir is likely to fill) DWR will provide more frequent forecasts on one or more of the following:

a. San Luis Reservoir fill projection.

b. Potential Article 21 availability.

## **B. Accounting**

1. DWR will continue to create operational schedules for the south Delta and the DCF which will include any operational constraints and in accordance with applicable regulatory requirements and contractual obligations in order to account for water attributable to the DCF.
2. DWR will reconcile water exports attributable to DCF and the south Delta facilities in a timely manner.
3. If there is a difference in the amount of water conveyed through the south Delta facilities between the planned operations and actual operations there will be a determination about the cause of any identified differences. If the difference is due to a physical, regulatory, or contractual disruption of south Delta diversions or other south Delta restrictions, then water conveyed through the DCF will be considered water attributable to DCF. If the difference is the result of DWR's discretionary decision to convey Table A water through the DCF instead of south Delta, no charge/credit will occur. However, DWR will estimate the carriage water savings associated with the discretionary use of DCF and carriage water savings will be considered water attributable to DCF.
4. Carriage water savings that DWR determines are realized by conveying Project Water through the DCF that would have otherwise been moved through the south Delta facilities, will be credited to Participants. PWAs with a zero Delta Conveyance Allocation Factor that make arrangements with DWR to pay for use of available capacity in the DCF for non-Project Water may be credited carriage water savings associated with this use.
5. Available DCF capacity, as determined by DWR, to convey transfers and exchanges of Project Water between PWAs with a Delta Conveyance Facility Allocation Factor of zero and PWAs with a greater than zero Delta Conveyance Facility Allocation Factor is interpreted as capacity in the DCF attributed to the PWAs with a greater than zero Delta Conveyance Facility Allocation Factor and no additional capital or minimum operations, maintenance, power and replacement (OMP&R) charges for use of DCF capacity will apply notwithstanding any PWA's interpretation of existing contract language to the contrary. Nothing in this provision shall be construed as altering any party's position regarding the application for use of facility charges in other contexts.
6. **Article 21 attributable to DCF for South of Delta PWAs:** As set forth in the AIP, PWAs opting out of the DCF will influence the administration of water made available pursuant to Article 21. To determine the quantity of Article 21 water that PWAs with a zero Delta Conveyance Facilities Allocation Factor will initially forego and the quantity of Article 21 water those PWAs with a

Delta Conveyance Facilities Allocation Factor greater than zero will receive, it is necessary to determine the amount of water attributable to the DCF in the San Luis Reservoir at Point A. Determining this water quantity will provide the basis upon which DWR can administer the DCF Benefits contained in the contract amendment that results from the AIP.

a. Process (See Table 1):

- i. **Point A:** The point at which DWR determines Article 21 water attributable to DCF will be available. DWR will determine volume of Project Water for Table A attributable to the DCF in San Luis Reservoir.
- ii. DWR will work with PWAs to develop an accounting methodology that considers exports attributed to DCF, exports from south Delta facilities, deliveries to PWAs, San Luis Reservoir fill point and the PWAs DCF allocation factors to determine the volume of Project Water for Table A in San Luis Reservoir attributable to DCF at Point A.
- iii. **Point B:** The point at which DWR determines Article 21 water would have been made available absent Project Water for Table A attributable to DCF in San Luis Reservoir, and/or DWR determines through the accounting process that San Luis Reservoir would have filled absent current year Project Water attributable to DCF. This point is reached when a volume of water equal to the volume of current year Project Water for Table A in San Luis Reservoir attributable to DCF at Point A has been displaced or evacuated by the quantity that would have been exported from Clifton Court Forebay and stored in San Luis Reservoir absent the DCF.

b. Deliveries of Article 21 water attributable to DCF Between Point A and Point B:

- i. PWAs may submit Article 21 requests to DWR prior to point A. DWR will satisfy those requests according to the following priority:
  1. PWAs up to their Delta Conveyance Facility Allocation Factor;
  2. All PWAs based on Table A percentage. Only Variable and DCF Energy charges will apply for those PWAs with a greater than zero Delta Conveyance Facility Allocation Factor. For those PWAs with a zero Delta Conveyance Facility Allocation Factor, Article 21 water will be made available at the following charges:
    - a. the Variable and DCF Energy charges for the amount up to Article 56(c)(1) and Article 56(c)(2) water spilled within the PWAs proportionate share of San Luis Reservoir storage at Point A;
    - b. Fair Compensation for any additional amounts.

c. Deliveries of Article 21 water attributable to DCF After Point B:

- i. PWAs may submit requests to DWR. DWR will satisfy those requests according to the following priority:
  1. PWAs' proportion based upon the Delta Conveyance Facility Allocation Factors;
  2. All PWAs based on Table A percentage. Only Variable and DCF Energy charges will apply for those PWAs with a greater than zero Delta Conveyance Allocation Factor. For those PWAs with a zero Delta



Conveyance Facility Allocation Factor, this water will be provided at Fair Compensation.

<b>TABLE 1: Article 21 Interruptible Water Attributable to the Delta Conveyance Facilities</b>		
<b>PWA</b>	<b>Point A - Point B</b>	<b>At/After Point B</b>
<b>FIRST PRIORITY:</b> PWAs participating in DCF (PWAs with a greater than zero DCF Allocation Factor %)	<ul style="list-style-type: none"> <li>• Quantity (AF): Up to DCF Allocation Factor %</li> <li>• Charge (\$): Variable and DCF Energy Charges</li> </ul>	<ul style="list-style-type: none"> <li>• Quantity (AF): Up to DCF Allocation Factor %</li> <li>• Charge (\$): Variable and DCF Energy Charges</li> </ul>
<b>SECOND PRIORITY:</b> All PWAs	<ul style="list-style-type: none"> <li>• Quantity (AF): Based on Table A %</li> <li>• Charge to DCF Participant (\$): Variable and DCF Energy Charges</li> <li>• Charge to DCF Non-Participant for AF ≤ to spilled carryover water (\$): Variable and DCF Energy Charges</li> <li>• Charge to DCF Non-Participant for AF &gt; spilled carryover water (\$): Fair Compensation</li> </ul>	<ul style="list-style-type: none"> <li>• Quantity (AF): Based on Table A %</li> <li>• Charge to DCF Participant (\$): Variable and DCF Energy Charges</li> <li>• Charge to DCF Non-Participant (\$): Fair Compensation</li> </ul>

### **Collaborative Development of Administrative Procedures**

As a subset to the Water Operations Committee, a DCF workgroup will be created similar to the current San Luis Reservoir Workgroup. This group will meet and confer as needed, and may discuss items such as forecasting, operations, accounting, and administration of the DCF. Members may include representatives from DWR (SWPAO and OCO) and PWAs and will report back to the PWA Water Operations Committee.

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**Regular Meeting of Board of Directors of Kern Fan Authority**  
**September 23, 2020**  
**11:30 a.m.**

NOTICE: Pursuant to Executive Order N-29-20, this meeting will be held entirely by web access and teleconference. The public can view or listen to the meeting and offer public comment by logging/calling into the following web address/conference line at the time the meeting is scheduled:

**Zoom:** <https://zoom.us/j/86976239065>

**Telephone Dial-in:** (669) 900-6833

**Meeting ID:** 869 7623 9065 **Password:** 672787

Any changes to this information will be posted on the District's website ([www.rrbwsd.com](http://www.rrbwsd.com)) at or before the meeting is called to order. Please check the District's website if you are unable to hear the meeting.

**AGENDA**

This meeting is held in accordance with the Brown Act pursuant to Section 54956 of the California Government Code and the Kern Fan Authority Joint Powers Agreement.

**1. Roll Call - Quorum Determination**

In the absence of a quorum of the Board the meeting will be adjourned.

**2. Public Input**

This portion of the meeting is set aside to provide the public an opportunity to bring to the attention of the Board matters of which the Board may not be aware and which are not on the current agenda. No action can be taken on any matter raised during this portion of the meeting; however, a Board member may request that the matter be placed on any future agenda for further review and possible action.

**3. Minutes**

- a. Approval of the Minutes

**4. Treasurer's Report**

- a. Payment of Bills

**5. Report on Pending Activities**

- a. KFA Activities
  - 1. 2020 Water Supply
  - 2. CEQA-Integrated Water Management
  - 3. Pioneer Project
  - 4. McAllister Ranch
- b. KWBA Activities

- 
1. Kern River Conservation & Storage Program
  2. Recharge/Recovery Operations
- c. KCWA Activities
    1. Agenda and Minutes Review
    2. Operations
    3. Delta Conveyance
  - d. Local SGMA Activities
    1. Miscellaneous SGMA Related Activities
  - e. Other Activities
    1. Integrated Regional Water Management Plan (IRWMP)
    2. Irrigated Lands Regulatory Program (ILRP)
    3. CV Salts
    4. CASGEM Program
    5. Kern Fan Monitoring Committee

## **6. New Business**

This Portion of the Meeting is set aside to provide each Board member an opportunity to bring to the attention of other Board members and the public matters which have come to their attention and/or which may be appropriate for future consideration. No action can be taken on any matter raised during this portion of the meeting; however, a Board member may request that the matter be placed on any future agenda for further review and possible action.

## **7. Closed Session**

- a. Conference with legal counsel – potential litigation initiated against KFA [Cal. Govt. Code § 54956.9(d)(2))] – one matter (threat of litigation by KWBA, KCWA, City of Bakersfield, and STWSD)
- b. Conference with legal counsel – potential litigation initiated by KFA [Cal. Govt. Code § 54956.9(d)(4)] (one matter)

## **8. Adjournment**

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# KERN GROUNDWATER AUTHORITY

Regular Meeting of Board of Directors  
September 23, 2020 8:00 a.m.

**NOTICE: Pursuant to the Governor's Executive Order N-29-20 this meeting will be conducted by teleconference. All parties/public may attend the meeting via teleconferencing and offer public comments by phone, using the call-in information below:**

**Zoom:**

**<https://us02web.zoom.us/j/86176751548?pwd=cjdaNkloZmwwSDJSanprTjZZUXVlZz09>**

**Meeting ID: 861 7675 1548**

**Passcode: 689227**

**Telephone Dial-in: (669)900-6833**

## **Kern Groundwater Authority Board of Directors Agenda**

This meeting is held in accordance with the Governor's Executive Order N-29-20 and portions of the Brown Act pursuant to Section 54956 of the California Government Code and the Kern Groundwater Authority Joint Powers Agreement.

**1. Roll Call - Quorum Determination**

In the absence of a quorum of the Board the meeting will be adjourned.

**2. Public Input**

This portion of the meeting is set aside to provide the public an opportunity to bring to the attention of the Board matters of which the Board may not be aware and which are not on the current agenda. No action can be taken on any matter raised during this portion of the meeting; however, a Board member may request that the matter be placed on any future agenda for further review and possible action. Members of the public may directly address the Board of Directors on any item of interest within the Board's subject matter jurisdiction, before or during the Board's consideration of the item. The President may limit the time allowed for comment.

**3. Approval of Minutes**

**a. July Regular Board Meeting Minutes\***

**4. Treasurer's Report**

**a. Presentation & Adoption of the 2019 Audit\* - Barbich, Hooper, King**

**b. Financial Report & Accounts Payable\*(Ratify) - July**

**c. Financial Report & Accounts Payable\*(Approve)— August**

**5. Attorneys Report**

**a. Supreme Court Decision on Well Permitting**

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**6. Executive Director Report**

- a.** Discussion on 2020 Budget – Cash Call\*
- b.** Approval for refund on Task Order #18\*
- c.** Prop 1 refund\*
- d.** Discussion on status of KGA boundary adjustment & establishment of GSAs -consideration of Kern-Tulare Water District moving into the Kern subbasin\*
- e.** Data Management Service - update
- f.** Accomplishments
- g.** Forward Work Plan

**7. New Business**

This Portion of the Meeting is set aside to provide each Board member an opportunity to bring to the attention of other Board members and the public matters which have come to their attention and/or which may be appropriate for future consideration. No action can be taken on any matter raised during this portion of the meeting; however, a Board member may request that the matter be placed on any future agenda for further review and possible action.

**8. Correspondence**

**9. Closed Session**

- a.** Conference with Legal Counsel – Potential Litigation: Closed Session pursuant to Government Code Section 54956.9(d)(2), (e)(1)(one matter)

**10. Adjournment**

A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request the Authority provide disability-related modification or accommodation in order to participate in any public meeting of the Authority. Such assistance includes appropriate alternative formats for the agendas and agenda packets. Requests should be made in person, by telephone, facsimile and/or written correspondence to the Authority office, at least 48 hours before a public Authority meeting. Written materials related to an item on this agenda to be considered in open session that are public documents and that are distributed to board members after the posting of the agenda, will be made available for public inspection when they are so distribution at the office of the Authority located at 1800 30<sup>th</sup> Street, Ste #280, Bakersfield, California during normal business hours. Documents that are public documents provided by others during a meeting will be available at the same location during business hours after the meeting.



Water Association of Kern County  
Board Meeting  
September 22, 2020  
Zoom Video Call

## **Agenda**

1. Call to order Gene Lundquist, President
2. Minutes
3. Financial Statements – Dana Munn
  - a. Budget Review
  - b. Bank Signatures change
    - i. Delete Mary Elizabeth Brookhart and add Jenny Bertagna Holtermann as key signatory of the WAKC checking and savings account at Citizens Business Bank and ensure statements are sent to 29395 Jack Ave, Shafter Ca 93263
4. Webinar Committee Report
5. Magic of Water Committee Report
  - a. Clark Building & Bus Wraps
6. Annual Meeting – Steve Torigani
  - a. Proposed Bylaw Amendment
  - b. Nominating Committee/ Board Renewals
7. Water Summit 2021
8. Adjournment



To: Kern Delta Water District Board of Directors

From: Steven Teglia – General Manager

Date: October 20, 2020

**Re: Agenda Item VI C. – Water Banking Projects Report**

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RECOMMENDATION:

Receive report, informational item only.

DISCUSSION:

Below is a summary of activities of note related to various water banking projects/activities of interest to the District.

Kern Fan Recovery Activity:

- As of October 13, 2020, various Kern Fan projects were recovering groundwater (roughly 210cfs from 40 wells) as reported via KCWA weekly call.
- See attached graphs provided by KCWA.

Pioneer Participant Meeting:

- The Pioneer Project Participant group met October 8, 2020.
- Continued discussion regarding preferred project option for new facilities to deliver water to McAllister Ranch.

Kern Fan Monitoring Committee:

- No Report

KDWD Water Banking Project:

- With the SWP allocation increasing to 20%, Metropolitan Water District notified Kern Delta regarding reducing their request for return water. Kern Delta delivered return water to MET until August 27th.

Cross Valley Canal Advisory Committee:

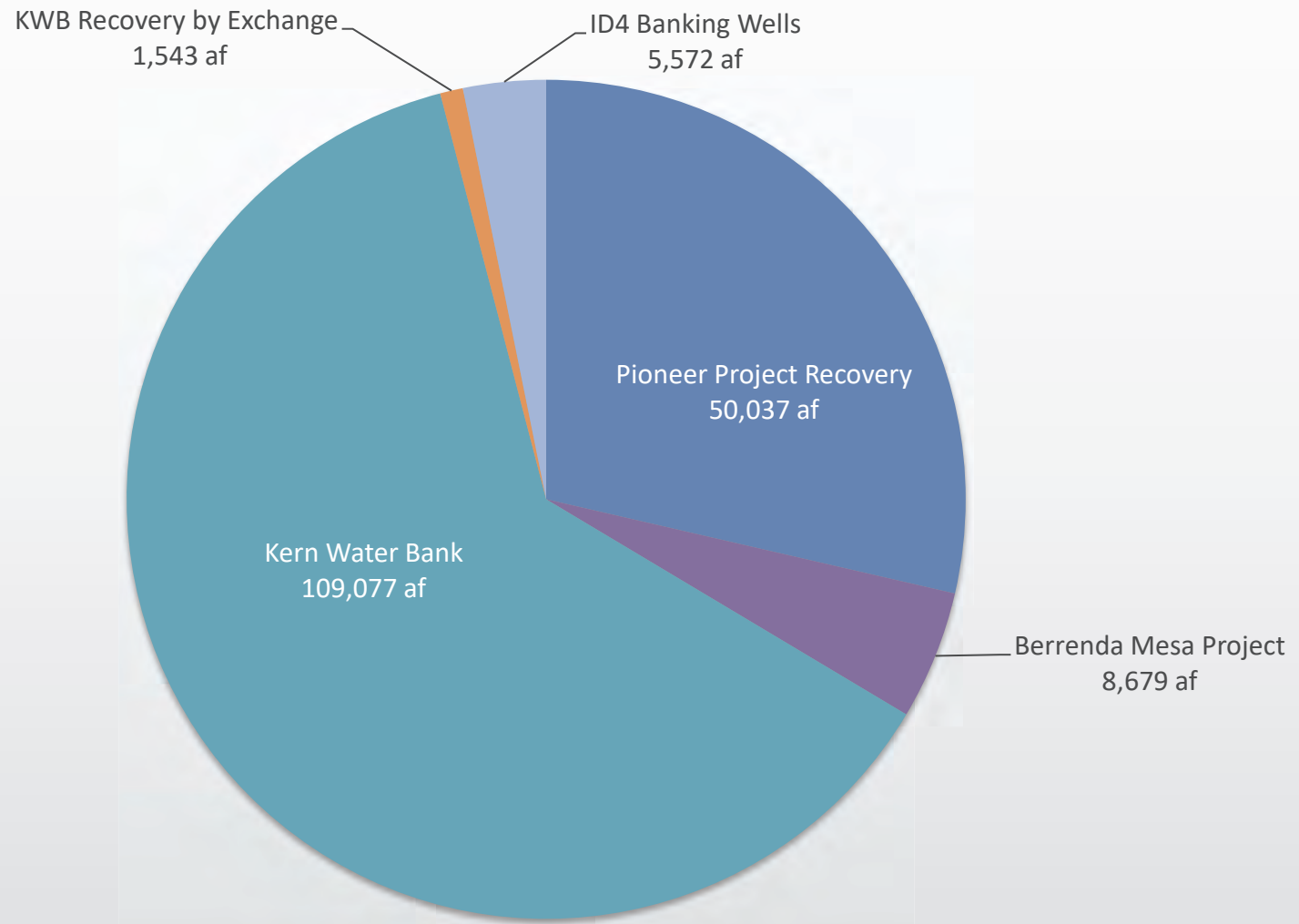
- The CVC Advisory Committee met September 23, 2020.
- Most water in the CVC is groundwater running in reverse flow to the California Aqueduct. There are some deliveries to AEWS and the Friant Kern Canal.
- See attached CVC graphs provided by KCWA.



- Continued discussion regarding CVC capacity study (special meeting to be held in October).
- Pioneer Inlet Project cost allocation discussion.

**Kern Fan Banking Projects  
2020 Estimated Gross Recovery by Project  
Through August 31, 2020**

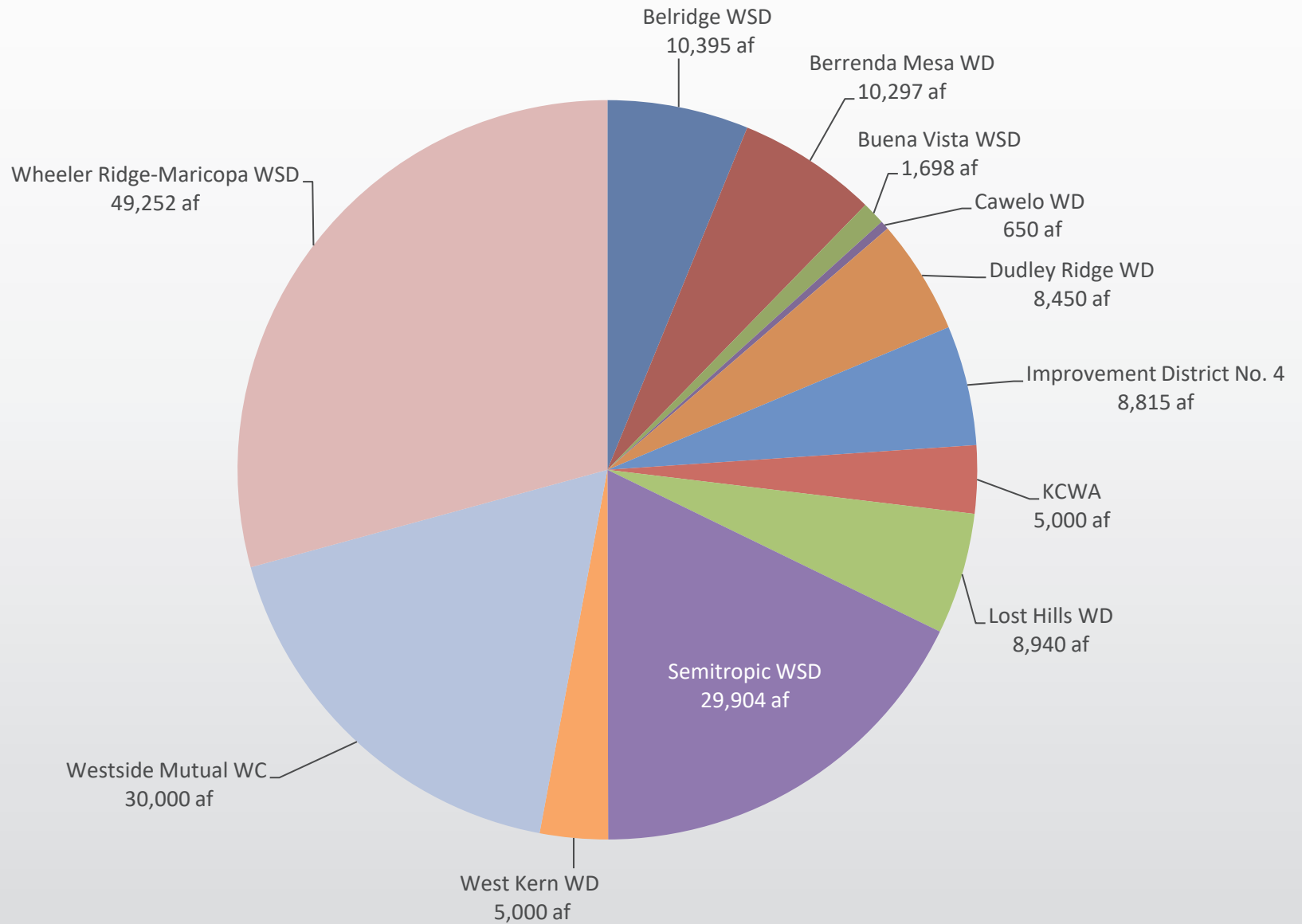
Attachment 1



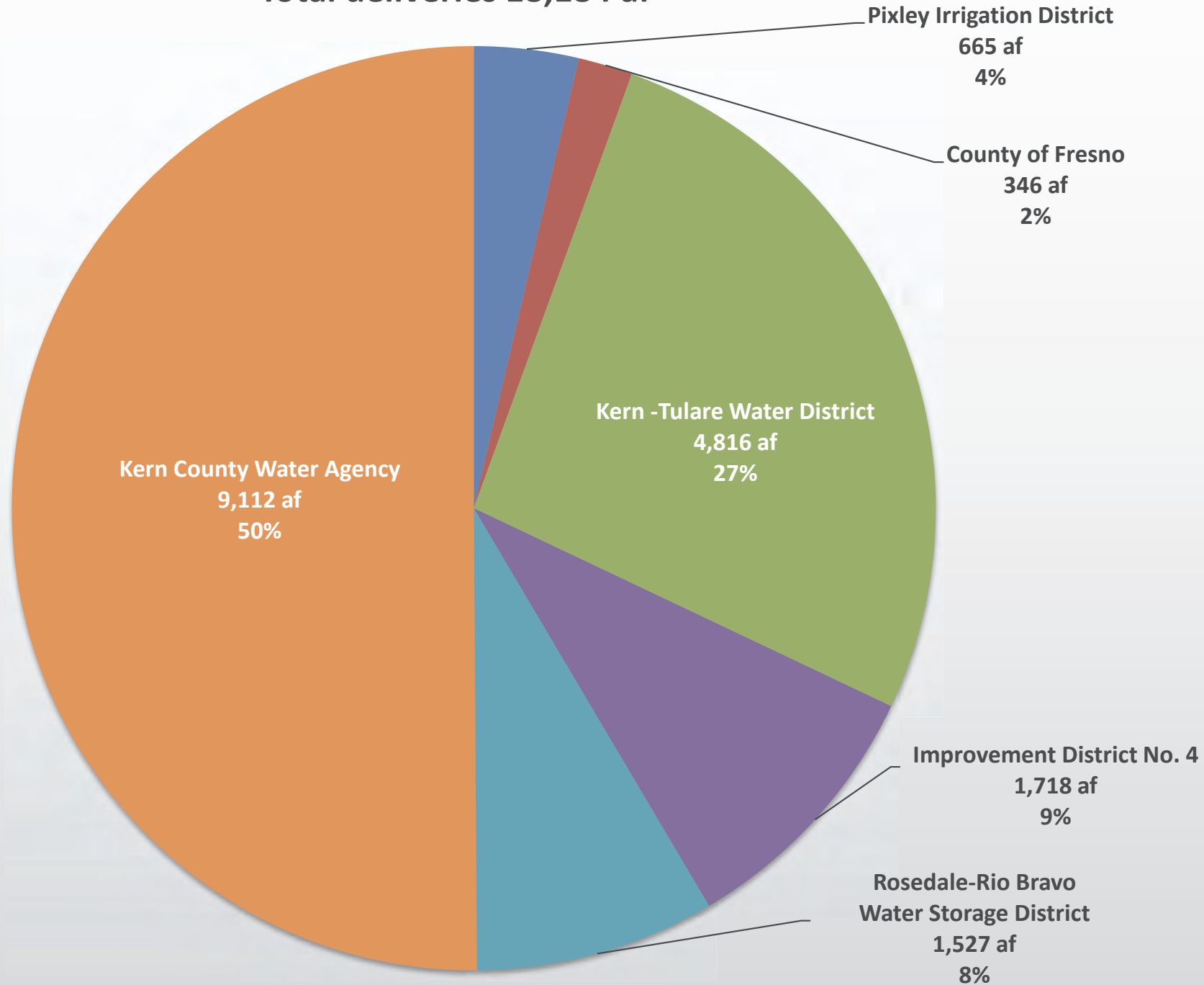
**Total Gross Recovery 173,365 af; Total Recovery by Exchange 1,543 af**

# Kern Fan Banking Projects 2020 Estimated Recovery by Participant Through August 31, 2020

Attachment 2

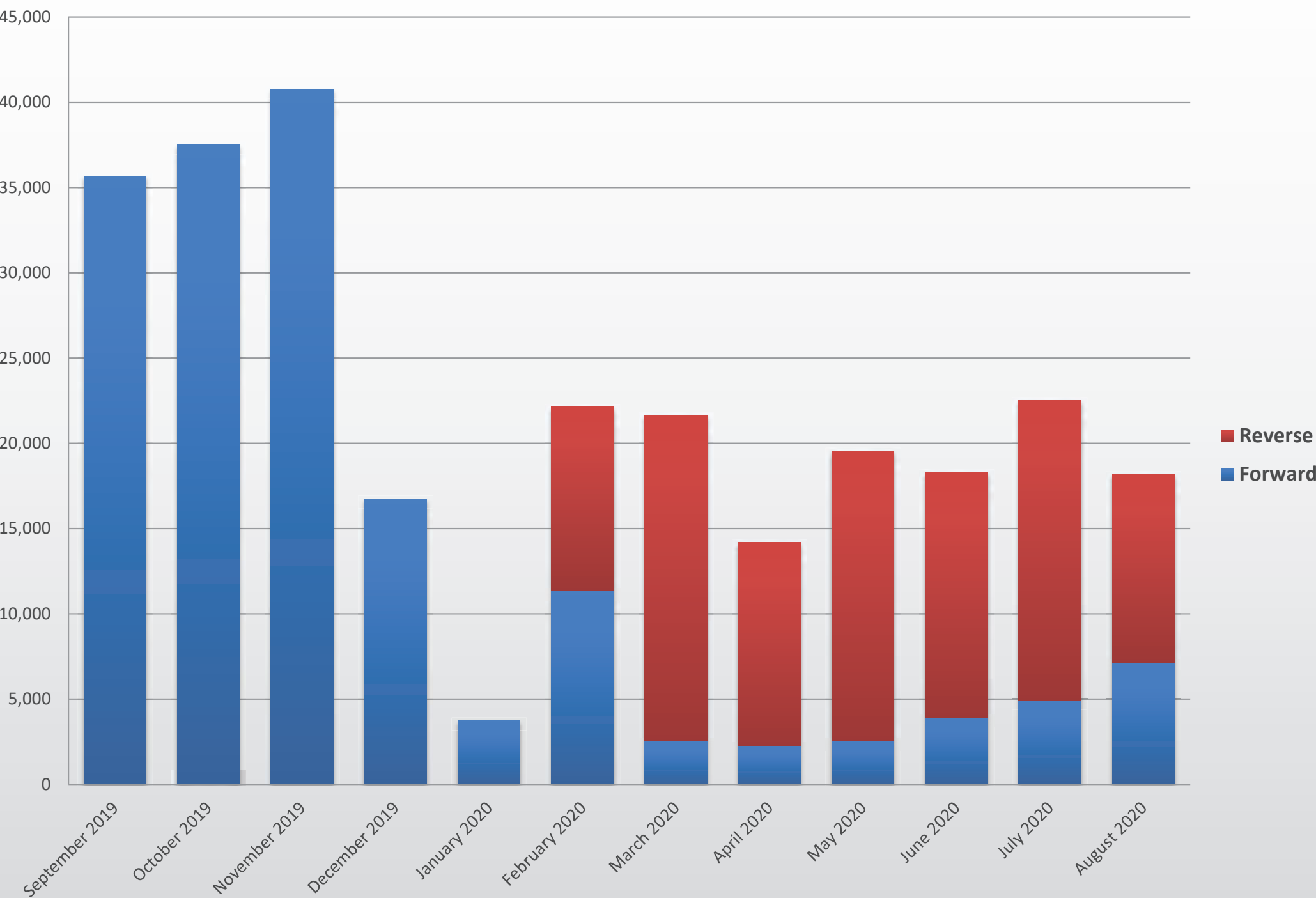


**Cross Valley Canal  
August 2020 Deliveries  
Total deliveries 18,184 af**



# Cross Valley Canal

## Twelve Month Delivery by Direction



# Cross Valley Canal

## Twelve Month Delivery by Source

