



**Tehachapi-Cummings
County Water District**
Our Water • Our Future

Directors:
John M. Ables
Gerald Davis
Jonathan Hall
Robert W. Schultz

Officers:
Robert W. Schultz, *President*
Jonathan Hall, *Vice President*
Thomas P. Neisler, *General Manager*
Catherine Adams, *Secretary*
Crystal Sampson, *Treasurer*

AGENDA

Regular Meeting of the Board of Directors

October 21, 2026, at 3:00 PM

**Location: Tehachapi-Cummings County Water District
22901 Banducci Road, Tehachapi, CA 93561**

1. Call to Order and Roll Call
2. Announcement: The meeting is being audio recorded, including all Board, Staff, and Public comments.
3. Flag Salute
4. Approval of Agenda
5. Comments by any Party on Items of Interest Within the Subject Matter Jurisdiction of the Legislative Body
 - a. Public comments may be made:
 - i. In person at location above
 - ii. Via email in advance of meeting to cadams@tccwd.com or via US Mail at address below
6. Consent Calendar - Consent items are considered routine and are intended to be acted upon as a single item, without discussion. During this portion of the meeting, the Consent Calendar will be read aloud. Prior to approval, the President will give the Board the opportunity to remove any item from the Consent Calendar to be discussed and voted on individually. The President will also give staff and the public the opportunity to request any item be discussed individually, in which case the President will determine whether the item will be removed from the Consent Calendar. The remaining Calendar will be acted upon. Any removed items will then be heard and acted upon individually.
 - a. Approve Minutes of the Regular Board Meeting of September 16, 2026, and the Special Board Meeting of September 17, 2026
 - b. Approve Financial Report and Payment of Bills
7. General Manager's Report
8. Operations Report
9. Consider Letter of Support for Northern Pipeline Project of the Mojave Groundwater Bank
10. Approve Term M&I Agreement with City of Tehachapi
11. Approve Second Amendment to DCP Funding Agreement
12. Board of Directors Comments
13. Closed Session – President to reference Closed Sessions items as presented on Agenda, then Board to adjourn to Closed Session
 - a. In Accordance with Exhibit A Attached hereto, TCCWD v. City of Tehachapi *Et al.*
 - b. In accordance with Exhibit B Attached hereto, TCCWD v. City of Tehachapi
 - c. In Accordance with Exhibit C Attached hereto, DWR v. All Persons Interested in Authorization of WaterFix Revenue Bonds, et al.; DWR v. All Persons Interested In The Matter of the Authorization of Delta Program Revenue Bonds, et al.
 - d. In Accordance with Exhibit D Attached hereto, Rosedale-Rio Bravo WSD *Et al.* v. Kern County Water Agency *Et al.*
 - e. In Accordance with Exhibit E Attached hereto, City of Tehachapi vs. TCCWD
 - f. In Accordance with Exhibit F Attached hereto, City of Tehachapi vs. TCCWD
14. Return to Open Session
 - a. Report Action Taken in Closed Session
15. Adjournment

Note: A person with a qualifying disability under the Americans with Disabilities Act of 1990 may request that the District (1) make agendas available in appropriate alternative formats, and (2) provide a disability-related modification or accommodation, including auxiliary aids or services, to participate in any public meeting of the Board of Directors. A request for modification or accommodation shall be made in person, or by telephone, facsimile or written correspondence to the General Manager at the District's office at least seven days before the public meeting for which the modification or accommodation is requested.



Tehachapi-Cummings
County Water District

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CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): County of Sacramento Superior Court Case No. 34-2022-80003892
Name of Case: Tehachapi-Cummings County Water District v. City of Tehachapi *Et al.*
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9(d) (4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: _____
Unrepresented Employee: _____



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1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC Case No. BCV-25-103013
Name of Case: _____
City of Tehachapi _____

2. Anticipated Litigation: _____
Gov. Code § 54956.9(d)(2): _____
Gov. Code § 54956.9(d)(4): _____

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B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): Two Cases
Names of Cases: _____
DWR v. All Persons Interested in Authorization of
WaterFix Revenue Bonds, et al.; DWR v. All Persons
Interested In The Matter of the Authorization of Delta
Program Revenue Bonds, et al.

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

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1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC No. BCV 21100418 TSC
Name of Case: Rosedale-Rio Bravo WSD *Et al.* v. Kern County Water Agency *Et al.*

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

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Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code KCSC Case No. BCV-23-104134
§54956.9(d)(1): _____
Names of Cases: City of Tehachapi v. Tehachapi-Cummings County
Water District

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

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B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC Case No. BCV-24-101512
Names of Cases: City of Tehachapi vs. Tehachapi-Cummings County Water District
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
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MINUTES

**TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
September 16, 2026, 3:00 P.M.
22901 Banducci Road, Tehachapi, CA 93561**

Item 1. Call to Order and Roll Call

Directors Present: Ables, Hall, Schultz **Absent:** Davis

Legal Counsel Present: Simran Dosanjh (LeBeau Thelen, LLP) via Zoom

Staff Present: Catherine Adams, Tom Neisler, Crystal Sampson **Absent:** Jon Curry

Item 2. Announcement

President Schultz announced this meeting is being audio recorded, including all Board, Staff, and Public comments.

Item 3. Flag Salute

The Pledge of Allegiance was led by President Schultz.

Item 4. Approval of Agenda

Neisler requested Item 10 be tabled until a Special Board Meeting tomorrow as it is not quite ready to advance. President Schultz instructed Staff to schedule a Special Board Meeting for September 17, 2026, at 4:00 p.m. and make the required notifications today. President Schultz apologized for the delay and stated there was an error in posting and they want to be sure that the item is appropriately conveyed to the Public before considering it for approval.

Director Hall moved to approve the Agenda as amended. Director Ables seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 5. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body

There were none.

Item 6. Consent Calendar - Consent items are considered routine and are intended to be acted upon as a single item, without discussion. During this portion of the meeting, the Consent Calendar will be read aloud. Prior to approval, the President will give the Board the opportunity to remove any item from the Consent Calendar to be discussed and voted on individually. The President will also give staff and the public the opportunity to request any item be discussed individually, in which case the President will determine whether the item will be removed from the Consent Calendar. The remaining calendar will be acted upon. Any removed items will then be heard and acted upon individually.

- a. Approve Minutes of the Adjourned Regular Board Meeting of August 26, 2026
- b. Approve Financial Report and Payment of Bills

President Schultz asked if there were any items the Board, Staff or Public would like to remove for discussion, and there were none.

Director Hall moved to approve the Consent Calendar. President Schultz seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 7. General Manager's Report

Neisler reported on the following:

- For the last eight years, the federal contractors and the state contractors, along with DWR and the other involved agencies, have been working on revising the State Operating Contracts. In 2022, these parties issued a Memorandum of Understanding (MOU) as to how the agreements would be revised. In July of 2026, the State Water Resources Control Board issued a final draft version of what they called the Bay Delta Agreement. This agreement rescinded all of the arrangements that had been included in the 2022 MOU. It not only included an unimpaired flows requirement, but it also increased the unimpaired flows requirement that would have to be met before any water could be provided to either one of the projects, state or federal. The U.S. Department of Bureau and Reclamations, the federal contractor, rejected the approach, and said if that went forward, they would not participate in the project. Several other state contractors and federal contractors did the same. Comments on the State proposal are due on October 18th, and the State is planning to hold hearings on October 28th and 29th. As members of the Kern County Water Agency, we are waiting to hear what the agency plans to do. The Member Units of the agency have had extensive discussions about this issue, but the information is not public as this time.
- Lake Oroville is 84% of capacity in September and 129% of historical average capacity. San Luis Reservoir is 108% of historical average for this time of year. He shared the Brite Lake Level chart noting levels are normal for this time of year and stated we may have a similar spike in levels as we did in 2025 after customer deliveries slow down for the year.
- He presented 3 new charts on San Luis Reservoir showing the Probability of Exceedance for SWP Storage and explained the percentages. There is a 48% chance it will spill in November and a 69% chance for December. If the KCWA approves the District's plan, all the District's 2026 carryover water will be evacuated from San Luis Reservoir before the end of this calendar year. The District is not allowed to take any high-flow Article 21 water until all the carryover is evacuated. The cost of Article 21 water is between \$15 and \$30/AF, if there is Lower Kern River water available it should be \$5/AF. The District's banking partner has the capacity to accept that water. With the forecasted Super El Nino precipitation patterns, it is logical to assume there will be unprecedented conditions this winter.
- Surface water deliveries are still significant so there is very little recharge happening.
- No Directors have indicated an availability to attend the ACWA Region 7 Water Tour on October 9th. Neisler will be there as a representative of the District and also as a Board member on the Region 7 Board and will provide a report upon his return. Directors Schultz and Ables were registered for the ACWA Fall Conference in Anaheim on December 1st through the 3rd. Once the reservations open for the JPIA Conference, Director Hall will be registered to attend.

President Schultz asked questions on the effects of runoff on the Brite Lake level and discussion took place on a past rain event that happened in May of a given year and the lake almost overflowed. He asked about preparation and the weir boards for the spillway and Neisler explained the work the Pipeline Department has done and Graysen Oldham stated the weir boards are installed. Director Hall brought up a series of ponds that Golden Hills CSD utilize to slow down the water flow to gain better penetration and highlighted that the terminal waterway into Brite Lake meanders to accomplish the same thing. Discussion took place on these operations and facilities.

Item 8. Operations Report

Neisler stated Curry is on a well-deserved vacation so he is going to present his report. Both operations department supervisors are present at the meeting if needed. He reported on the following:

- The importation system is operating at full capacity.
- One of the two gearboxes from Duran in Houston Texas has been returned. The Board approved the purchase of the last gearboxes needed to switch over to the new design at a cost of \$600,000 for this year. This will eliminate the situation where everything has to be sent back to Houston to be repaired,

maintained, etc. The gear ratios changed with the new engines and once the gearboxes are all replaced, there will be a spare engine at every pump plant.

-Oldham, Curry and Neisler met with TVRPD to talk about the Golden Mussel provisions at Brite Lake. Neisler has asked for more information to determine how much financial responsibility the District should have in this project, and Staff is working on that. The District's relationship remains excellent with TVRPD and this project is moving forward.

-The volume in Brite Lake last Thursday was slightly less than 900 AF.

-He reviewed some of the tasks and projects completed as listed in the Staff Report noting the Pipeline Department is doing a great job on culvert cleanouts in Mountain Meadows. The District has a lot of responsibility in that area that most people are not aware of. The portable generators have been tested out at the extraction wells and there was a problem with the fuel delivery systems on one generator. In the process of doing these tests, a leak was found in the Victaulic pipe coupling at the Nunes Well so that was fixed.

-There have been pressure spikes in the importation system between Pump Plant 4 and Brite Lake when irrigation shuts down and this has caused concern for the condition of the water line. To mitigate this, Paul Dutcher has programmed the recharges to open to take off those pressure spikes in the line.

-Training has been done on Slips, Trips, and Falls.

-Curry is working on the current Multi-Jurisdictional Hazard Mitigation Plan.

-Golden Mussel meetings continue to advance forward.

-Tasks are being lined out for the 2026-2027 off-season maintenance period.

He offered to answer any questions the Board or Public may have and there were none.

Item 9. Receive and File GIS Update Presentation

Neisler introduced Brandon Kirby, GIS Technician, to give a presentation on the development of the GIS System and stated his accomplishments in less than a year on this project are remarkable. Kirby is coming up on the completion of a course from UCSD on GIS training and is working on his final project which will have a direct application to the District. He has implemented a new GIS consultant, AIMS, which has been a benefit to the District.

Kirby began his presentation and informed the Directors that he is working on getting them access to the GIS so he will be sending out an email soon to set up their accounts. He showed a slideshow to give examples and update everyone on what is now available in the GIS and what analyses he has been able to do utilizing mapping and facility locations. Some of the points he touched on were:

-In January 2026, the District signed an Esri Small Utility Enterprise Agreement that enabled access to their suite of tools called ArcGIS. This program was used to clean up existing data to be sent to AIMS and the new platform went live in July.

-AIMS hosts the platform, uses cloud storage, and has additional modules that can be brought in as needed. There is CMMS, groundwater monitoring, SpringBrook integrations and record drawings.

-With ArcGIS, Kirby can make edits in real time and go live on the same day which is a great benefit. He displayed the GIS and navigated through different maps and features so the audience could see how it works. Currently, all of the Districts pipelines, ARBs, valves, mainline valves, and blowoffs have been marked in the system and about 90% of the smaller assets in Cummings Basin are recorded. All of the Jacobsen Reservoir assets, the public water system assets, and monitoring wells are recorded.

-The District is looking at working with AIMS to implement a Computer Maintenance Management System (CMMS) to track maintenance intervals, line repairs, installations, etc. for the Pipeline Department. Eventually it can be used to link the District's inventory to track parts, procurement and documentation.

- Kirby can make applications for smart phones and tablets to record meter readings digitally instead of on paper and lot more processes can be done digitally which makes them more efficient.
- The GIS has been used to plot all the points where Golden Mussels have been found in the system to help track things and plan for mitigation. It can also be used to input noise level readings at the Pump Plants and create a map to see where the noise is travelling, which is much more useful than a spreadsheet of data.
- The Districts storm assets have been surveyed as well as parcels with unmetered wells in the Adjudicated Tehachapi Basin.
- The public GIS on the District website lets people see if they are in an adjudicated basin, a public water agency's boundary, if a pipeline is near them, or what Director division they are a part of.
- Neisler added that the engineer from Provost and Pritchard for the Engine Replacement Project has provided the as-builts for the upgrades in 3D digital files and those can be imported directly into the GIS. With this, components can be linked, the Operations and Maintenance manual drawings can be uploaded and you just click on the asset and see maintenance history and schedule.
- All of these mapping and documentation features are really helpful to Staff for locating assets, coordinating work and increasing efficiency.

President Schultz asked some questions on information that can be made available, the layers and the CMMS module and Kirby answered those. President Schultz feels this is really good for operating an importation system like ours and is very happy with it. Kirby offered to answer questions the Directors may have at any time on this system.

Neisler is excited to have this technology in place and for what capabilities it brings to the District. He thanked the Board for their support on this project and authorization of the investment in the staffing and programs.

Item 10. Adopt Resolution 13-26 Amending the District's Rules and Regulations for the Sale, Use and Distribution of Water

President Schultz stated this item has been tabled and an announcement has already gone out for a Special Board Meeting to consider this item tomorrow at 4:00 p.m.

Item 11. Accept Proposal from Aspect Engineering and Authorize General Manager to Execute Contract for SCADA Platform Upgrade Project

Neisler stated the District's SCADA system is a legacy system and is overdue for an operating system upgrade. An upgrade project was included in this year's budget. At the last Board meeting, the Board authorized Staff to circulate a Request for Proposals and three proposals were received.

Aspect Engineering is a consulting agency the District currently uses and they submitted a proposal for about \$174,000. Agilitech Group is another reputable firm who submitted a proposal for approximately \$203,000 and then Aplo Automation, who he is not familiar with, submitted a proposal for approximately \$221,000. This is a qualification-based solicitation and Aspect Engineering holds the certifications needed to work on these components and they are very familiar with the District's operations. They have done a lot of this work locally and they were the lowest fee proposal. Staff has confidence in them meeting the project schedule. Their proposal falls within the budgeted amount of \$175,000 and Staff recommends the Board accept the proposal from Aspect Engineering.

President Schultz moved that the Board accept the proposal from Aspect Engineering and authorize the General Manager to execute the contract for the SCADA Platform Upgrade Project. Director Hall

seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 12. Adopt Resolution 14-26, Amending Conflict of Interest Code

Adams stated all local agencies have to do a biennial review of their Conflict of Interest Code to see if there are any changes in regulations and operations within the District. The first review is done by District Legal Counsel and Attachment B is the redline version of the Code to show the changes proposed. The changes include one title change to a position and some new required terminology and sections for digital assets such as cryptocurrencies like Bitcoin. Attachment A is a copy of the required form that must be completed and signed by the General Manager letting the agency know if changes were made and if the attached resolution was adopted to amend the policy. She offered to answer any questions and there were none.

President Schultz moved that the Board adopt Resolution 14-26, Amending the Conflict of Interest Code. Director Ables seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 13. Accept Proposals and Authorize General Manager to Execute Contract for Pump Plant 3 Roof Replacement Project

Neisler stated the pumping plants are 50 years old and are in a harsh environment so the standing seam metal roofs have deteriorated over the course of time. The mechanics have to traverse these roofs to close vents and things so it is becoming a safety hazard. The approved budget included an item to replace one roof this year and the most urgent need is Pump Plant 3. The District received three bids for the work in the following amounts, E&J United Roofing for \$24,938, Midstate Sheet Metal for \$65,100, and Superior Construction for \$77,562. Curry determined that E&J United Roofing was non-responsive as they did not address the prevailing wage provisions and they are not registered with the Department of Industrial Relations as a public works contractor so their bid cannot be considered.

Midstate proposed 22-gauge roofing material and Superior proposed 26-gauge, the lower gauge number indicates thicker material. Midstate proposed the best material and were the lowest responsive bidder, so the Staff recommendation is that the Board accept the proposal from Midstate.

President Schultz commented how 26-gauge steel would not be appropriate for District metal roofs no matter what their bid was and he is happy to see the 22-gauge option. Director Ables pointed out Midstate has an option to add metal planking and asked if the existing roof has metal planking and Neisler stated it does. Director Ables asked for clarification if the suggested approval is for the base bid or if the metal planking should be included. With Curry being absent, Neisler suggested the Board only approve the base amount and Curry can bring a Change Order back to the Board if the additional amount is desired. The Board agreed that proper reinforcement is important on metal roofs.

President Schultz moved that the Board accept proposals and authorize the General Manager to execute contract with Midstate Sheet Metal in the amount of \$65,100 for the Pump Plant 3 Roof Replacement Project. Director Ables seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 14. Board of Directors Comments

Director Hall shared some good news about a personal health condition.

President Schultz stated that Item 10 (Amending the Rules and Regulations) has been a very long project for the District and everyone has worked diligently to make this the best set of Rules and Regulations, and

Term M&I Agreement and he displayed the large stack of documents he reviewed. He stated we will get it right and appreciated everyone's patience with it.

Item 15. Adjourn to Closed Session

President to reference Closed Session items as presented on Agenda, then Board to adjourn to Closed Session.

- a. In Accordance with Exhibit A Attached hereto, TCCWD v. City of Tehachapi *Et al.*
- b. In Accordance with Exhibit B Attached hereto, TCCWD v. City of Tehachapi
- c. In Accordance with Exhibit C Attached hereto, DWR v. All Persons Interested in Authorization of WaterFix Revenue Bonds, et al.; DWR v. All Persons Interested in the Matter of the Authorization of Delta Program Revenue Bonds, et al.
- d. In Accordance with Exhibit D Attached hereto, Rosedale-Rio Bravo WSD *Et al.* v. Kern County Water Agency *Et al.*
- e. In Accordance with Exhibit E Attached hereto, City of Tehachapi vs. TCCWD
- f. In Accordance with Exhibit F Attached hereto, City of Tehachapi vs. TCCWD

The Board adjourned to Closed Session at 4:33 p.m.

Item 16. Return to Open Session

The Board returned to Open Session at 5:23 p.m.

Report Action Taken in Closed Session:

- a. No reportable action.
- b. No reportable action.
- c. No reportable action.
- d. No reportable action.
- e. No reportable action.
- f. No reportable action.

Item 17. Adjournment

The meeting adjourned at 5:23 p.m. on a motion made by Director Hall, seconded by President Schultz and carried on the following vote: Ayes: Ables, Hall, Schultz; Noes: None; Abstain: None; Absent: Davis.

Robert W. Schultz, Board President

Catherine Adams, Board Secretary



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B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): County of Sacramento Superior Court Case No. 34-2022-80003892
Name of Case: Tehachapi-Cummings County Water District v. City of Tehachapi *Et al.*
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9(d) (4): _____

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Name of Case: _____
City of Tehachapi _____

2. Anticipated Litigation: _____
Gov. Code § 54956.9(d)(2): _____
Gov. Code § 54956.9(d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: _____
Unrepresented Employee: _____



Tehachapi-Cummings
County Water District

Our Water • Our Future

CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): Two Cases
Names of Cases: _____
DWR v. All Persons Interested in Authorization of
WaterFix Revenue Bonds, et al.; DWR v. All Persons
Interested In The Matter of the Authorization of Delta
Program Revenue Bonds, et al.

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: Not Applicable
Unrepresented Employee: _____



Tehachapi-Cummings
County Water District

Our Water • Our Future

CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC No. BCV 21100418 TSC
Name of Case: Rosedale-Rio Bravo WSD *Et al.* v. Kern County Water Agency *Et al.*

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: _____
Unrepresented Employee: _____



Tehachapi-Cummings
County Water District

Our Water • Our Future

CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code KCSC Case No. BCV-23-104134
§54956.9(d)(1): _____
Names of Cases: City of Tehachapi v. Tehachapi-Cummings County
Water District

2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: Not Applicable
Unrepresented Employee: _____



Tehachapi-Cummings
County Water District

Our Water • Our Future

CLOSED SESSION ITEM DESCRIPTIONS

(Gov. Code § 54954.5)

A. CONFERENCE WITH REAL PROPERTY NEGOTIATOR (Gov. Code § 54956.8.)

Description of Property: _____
Proposed District Negotiator: _____
Negotiating Parties: _____
Subject of Conference: _____

B. CONFERENCE WITH LEGAL COUNSEL (Gov. Code § 54956.9.)

1. Existing Litigation Gov. Code §54956.9(d)(1): KCSC Case No. BCV-24-101512
Names of Cases: City of Tehachapi vs. Tehachapi-Cummings County Water District
2. Anticipated Litigation: _____
Gov. Code § 54956.9 (d)(2): _____
Gov. Code § 54956.9 (d)(4): _____

C. PUBLIC EMPLOYEES (Gov. Code § 54957.)

1. Appointment: _____
Title: _____
2. Employment: _____
Title: _____
3. Performance Evaluation: _____
Title: _____
4. Discipline/Dismissal/Release: _____

D. CONFERENCE WITH LABOR NEGOTIATOR (Gov. Code § 54957.6.)

Agency Negotiator: _____
Employee Organization: Not Applicable
Unrepresented Employee: _____

MINUTES

**TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS
September 17, 2026, 4:00 P.M.
22901 Banducci Road, Tehachapi, CA 93561**

- Item 1. Call to Order and Roll Call:** Meeting called to order at 4:18 p.m.
Directors Present: Ables, Hall, Schultz **Absent:** Davis
Legal Counsel Present: None
Staff Present: Cat Adams, Tom Neisler
- Item 2. Announcement**
President Schultz announced this meeting is being audio recorded, including all Board, Staff, and Public comments.
- Item 3. Flag Salute**
The Pledge of Allegiance was led by President Schultz.
- Item 4. Approval of Agenda**
Director Hall moved to approve the agenda. Director Ables seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.
- Item 5. Comments by any Party on Items of Interest and Within the Subject Matter Jurisdiction of the Legislative Body**
None
- Item 6. Adopt Resolution 13-26 Amending the District's Rules and Regulations for the Sale, Use and Distribution of Water**
Neisler stated the District's Rules and Regulations for water service were last amended in 2016. Since that time, there were three minor revisions in 2020. Those Resolutions are included as attachment D to the Staff Report. Because of these amendments and several outstanding required updates, it was advantageous to amend the district form of Term M&I Agreement and the Rules and Regulations to bring everything current. This was an onerous process and he thank the Committee and Directors who were involved in this process.

A redline version of the revisions made to Resolution 25-16 are included as Attachment A and he explained the Appendices. Appendix 1 is the Term M&I Agreement template for all water delivery types and will be modified for the specific needs of a particular public water agency. Once approved, the Term M&I Agreement with the City of Tehachapi will be considered first and then presented to the other agencies, Golden Hills CSD, Stallion Springs CSD, and Bear Valley CSD. Neisler has discussed the changes at a staff level with all of these agencies so he is confident they will move forward. After the Term M&I Agreements are done, the update to the Regional Urban Water Management Plan will be completed.

President Schultz explained there were different versions of the documents being revised and between the August Board Meeting and yesterday's meeting, some things were missed so that is resolved now. He shared a summary of the changes and referenced the redline document noting that the most recent changes are in blue versus the previous changes in red. He went through each section describing the updates made. He stated the Committee, Director Ables and himself, spent a lot of time on the review and Neisler at one point had 40 hours into reviewing these documents and it is well over that now. If something was missed along the way, we are happy to have it pointed out and corrected, but he feels

confident in this version for approval today. Neisler thanked President Schultz for the overview and they offered to answer questions and there were none.

President Schultz moved for adoption of Resolution 13-26 Amending and Restating the District's Rules and Regulations for the Sale, Use and Distribution of Water. Director Ables seconded the motion, and it was carried on the following vote: Ayes: Ables, Hall, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Item 7. Board of Directors Comments
None

Item 8. Adjournment
The meeting adjourned at 4:30 p.m. on a motion made by Director Hall, seconded by President Schultz and carried on the following vote: Ayes: Ables, Hall, Schultz; Noes: None; Abstain: None; Absent: Davis. Motion passed.

Robert W. Schultz, Board President

Catherine Adams, Board Secretary

UNAUDITED

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
Income Statement: August 31, 2026

% of Year Remaining 83%

	One Month Actual	Year To Date Actual	Year To Date Budget	Better (Worse) Than Budget	Annual Budget	% Remain
GENERAL FUND (70)						
Revenues:						
Operating Revenues:						
Water Sales - Ag	467,561	873,594	1,285,200	(411,606)	2,700,000	68%
Water Sales - M&I	83,075	147,504	142,450	5,054	570,000	74%
Water Sales - Wheeled	6,755	13,156	36,200	(23,044)	100,000	87%
Water Sales - Surplus	11,127	22,253	23,600	(1,347)	100,000	78%
Water Sales-Recycled Water	2,749	4,998	4,065	933	15,000	67%
Water Sales-Recharge BWRA	-	-	-	-	370,000	100%
BL Storage Fee	3,800	3,800	-	3,800	10,000	62%
Water Services	7,528	12,300	5,799	6,501	77,750	84%
Other Operating Revenues	1,493	2,986	6,884	(3,898)	198,000	98%
Total Operating Revenues	584,088	1,080,591	1,504,198	(423,607)	4,140,750	74%
Non-Operating Revenues:						
General Taxes	96,169	131,801	146,470	(14,669)	7,400,000	98%
Other Revenues	34,395	37,163	17,183	19,980	201,700	82%
Capital Contributions	-	450	1,633	(1,183)	10,000	96%
Total Non-Operating Revenues	130,564	169,414	165,286	4,128	7,611,700	98%
Total Revenues	714,652	1,250,005	1,669,484	(419,479)	11,752,450	89%
Expenses:						
Administration Dept.						
Salaries & Benefits	81,390	196,341	233,897	37,556	1,407,500	86%
Operations & Maintenance	38,220	94,322	132,500	38,178	1,039,000	91%
Debt Service	-	-	-	-	1,051,750	100%
Capital Outlay	56	113	72,083	71,970	565,000	100%
Total Administration	119,666	290,776	438,480	147,704	4,063,250	93%
Pipeline Dept.						
Salaries & Benefits	63,812	150,887	163,488	12,601	992,000	85%
Operations & Maintenance	47,542	91,206	83,589	(7,617)	497,100	82%
Capital Outlay	-	58,004	181,200	123,196	700,000	92%
Total Pipeline	111,354	300,097	428,277	128,180	2,189,100	86%
Pumping Dept.						
Salaries & Benefits	68,120	162,155	194,419	32,264	1,180,500	86%
Operations & Maintenance	285,510	601,381	604,052	2,671	2,717,400	78%
Capital Outlay	133,560	403,182	601,916	198,734	1,893,850	79%
Total Pumping	487,190	1,166,718	1,400,387	233,669	5,791,750	80%
Total General Fund						
Salaries & Benefits	213,322	509,383	591,804	82,421	3,580,000	86%
Operations & Maintenance	371,272	786,909	820,141	33,232	4,253,500	81%
Debt Service	-	-	-	-	1,051,750	100%
Capital Outlay	133,616	461,299	855,199	393,900	3,158,850	85%
Total Expenses	718,210	1,757,591	2,267,144	509,553	12,044,100	85%
Net Income (Loss)	(3,558)	(507,586)	(597,660)	90,074	(291,650)	

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
Income Statement: August 31, 2026

% of Year Remaining 83%

	One Month Actual	Year To Date Actual	Year To Date Budget	Better (Worse) Than Budget	Annual Budget	% Remain
BOARD-DESIGNATED RESERVE FUNDS						
EMERGENCY (71)						
Revenues:						
Interest Earnings	164	457	1,368	(911)	19,000	98%
Total Revenues	164	457	1,368	(911)	19,000	98%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	164	457	1,368	(911)	19,000	
WATER BANKING RESERVE (72)						
Revenues:						
Operating Revenues:						
Water Sales-Recharge BWRA	-	-	-	-	500,000	100%
Total Operating Revenues	-	-	-	-	500,000	100%
Non-Operating Revenues:						
Interest Earnings	1,059	2,946	9,576	(6,630)	133,000	98%
Total Non-Operating Revenues	1,059	2,946	9,576	(6,630)	133,000	98%
Total Revenues	1,059	2,946	9,576	(6,630)	633,000	100%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	1,059	2,946	9,576	(6,630)	633,000	
UNFUNDED PENSION LIABILITY (74)						
Revenues:						
Interest Earnings	88	244	792	(548)	11,000	98%
Total Revenues	88	244	792	(548)	11,000	98%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	88	244	792	(548)	11,000	
MAJOR REPAIR & OVERHAUL (81)						
Revenues:						
Interest Earnings	561	1,803	5,760	(3,957)	80,000	98%
Total Revenues	561	1,803	5,760	(3,957)	80,000	98%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	561	1,803	5,760	(3,957)	80,000	
EQUIP/INFRA - RPLC/UPGRD (83)						
Revenues:						
Interest Earnings	55	62	144	(82)	2,000	97%
Total Revenues	55	62	144	(82)	2,000	97%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	55	62	144	(82)	2,000	

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
Income Statement: August 31, 2026

% of Year Remaining 83%

	One Month Actual	Year To Date Actual	Year To Date Budget	Better (Worse) Than Budget	Annual Budget	% Remain
TAX REVENUE LIABILITY (85)						
Revenues:						
Interest Earnings	716	2,009	5,616	(3,607)	78,000	97%
Total Revenues	716	2,009	5,616	(3,607)	78,000	97%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	716	2,009	5,616	(3,607)	78,000	
RATE STABILIZATION (87)						
Revenues:						
Interest Earnings	256	712	2,160	(1,448)	30,000	98%
Total Revenues	256	712	2,160	(1,448)	30,000	98%
Expenses:						
Total Expenses	-	-	-	-	-	0%
Net Income (Loss)	256	712	2,160	(1,448)	30,000	
RESTRICTED RESERVE FUNDS						
IMPROVEMENT DISTRICT NO. 2 (76)						
Revenues:						
General Taxes	68	93	143	(50)	6,000	98%
Interest Earnings	4	4	15	(11)	100	96%
Total Revenues	72	97	158	(61)	6,100	98%
Expenses:						
Operations & Maintenance	-	-	-	-	40,100	100%
Total Expenses	-	-	-	-	40,100	100%
Net Income (Loss)	72	97	158	(61)	(34,000)	
IMPROVEMENT DISTRICT NO. 3 (77)						
Revenues:						
General Taxes	145	198	189	9	12,000	98%
Interest Earnings	94	246	721	(475)	10,000	98%
Total Revenues	239	444	910	(466)	22,000	98%
Expenses:						
Operations & Maintenance	-	-	-	-	9,100	100%
Total Expenses	-	-	-	-	9,100	100%
Net Income (Loss)	239	444	910	(466)	12,900	
STATE PAYMENT (82)						
Revenues:						
Special Taxes	166,883	158,902	90,354	68,548	2,306,000	93%
Interest Earnings	7,477	14,890	36,780	(21,890)	507,000	97%
Total Revenues	174,360	173,792	127,134	46,658	2,813,000	94%
Expenses:						
Operations & Maintenance	3,264	3,264	5,000	1,736	4,002,500	100%
Total Expenses	3,264	3,264	5,000	1,736	4,002,500	100%
Net Income (Loss)	171,096	170,528	122,134	48,394	(1,189,500)	

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
Income Statement: August 31, 2026

% of Year Remaining 83%

	One Month Actual	Year To Date Actual	Year To Date Budget	Better (Worse) Than Budget	Annual Budget	% Remain
FLOOD CONTROL BENEFIT ASSESSMENT (86)						
Revenues:						
Benefit Assessments	5,192	5,860	2,480	3,380	112,200	95%
Interest Earnings	465	1,246	3,965	(2,719)	55,000	98%
Total Revenues	5,657	7,106	6,445	661	167,200	96%
Expenses:						
Operations & Maintenance	-	4,299	6,300	2,001	164,500	97%
Total Expenses	-	4,299	6,300	2,001	164,500	97%
Net Income (Loss)	5,657	2,807	145	2,662	2,700	

DISTRICT TOTAL (All Funds)

Revenues:						
Operating Revenues	584,088	1,080,591	1,504,198	(423,607)	4,640,750	77%
Non-Operating Revenues	313,791	359,086	325,349	33,737	10,973,000	97%
Total Revenues	897,879	1,439,677	1,829,547	(389,870)	15,613,750	91%
Expenses:						
Salaries & Benefits	213,322	509,383	591,804	82,421	3,580,000	86%
Operations & Maintenance	374,536	794,472	831,441	36,969	8,469,700	91%
Debt Service	-	-	-	-	1,051,750	100%
Capital Outlay	133,616	461,299	855,199	393,900	3,158,850	85%
Total Expenses	721,474	1,765,154	2,278,444	513,290	16,260,300	89%
Net Income (Loss)	176,405	(325,477)	(448,897)	123,420	(646,550)	

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
CASH BALANCES AS OF AUGUST 31

<u>DISTRICT FUNDS</u>	2026	2025	CHANGE
GENERAL FUND (70)	3,225,995	3,701,196	(475,201)
<u>BOARD-DESIGNATED RESERVES</u>			
EMERGENCY (71)	455,330	439,048	16,282
WATER BANKING (72)	2,940,199	2,835,070	105,129
UNFUNDED PENSION LIABILITY (74)	260,319	251,069	9,250
MAJOR REPAIRS & OVERHAUL (81)	1,634,691	1,865,645	(230,954)
EQUIP./INFRA. - REPL./UPGR. (83)	78,089	2,996,204	(2,918,115)
TAX REVENUE LIABILITY (85)	1,874,650	1,700,475	174,175
RATE STABILIZATION (87)	710,683	685,272	25,411
<u>RESTRICTED RESERVES</u>			
ENGINE PROJECT (73)	0	1,582,342	(1,582,342)
IMPROVEMENT DISTRICT NO. 2 (76)	5,638	5,669	(31)
IMPROVEMENT DISTRICT NO. 3 (77)	250,195	229,324	20,871
STATE PAYMENT (82)	13,261,955	11,122,402	2,139,553
BENEFIT ASSESSMENT DISTRICT NO. 1 (86)	1,279,426	1,237,628	41,798
	-----	-----	-----
DISTRICT TOTAL	25,977,170	28,651,344	(2,674,174)
	=====	=====	=====

**COUNTY OF KERN
MONTHLY CASH BALANCE**

As of Date: 8/31/2026

FUND	FUND NAME	AS OF DATE	TREASURERS CASH
8271	Tehachapi-Cummings Water M & O	08/31/2026	\$96,239.19
8287	Tehachapi-Cummings Wat Imp #2	08/31/2026	\$68.37
8301	Tehachapi-Cummings Wat Imp #3	08/31/2026	\$144.69
8315	Teh-Cum Co Water-State Payment	08/31/2026	\$158,979.20
8327	Teh Cum Wt-Fld Con Ben Assm Ar	08/31/2026	\$298.63
8340	Tccwd Investment Account	08/31/2026	\$41,265.56
			\$296,995.64



State of California
Office of the
State Treasurer

LAIF Monthly Statements

LAIF Monthly Statement

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
DISTRICT TREASURER
P.O. BOX 326
TEHACHAPI, CA 93581

LAIF Account #:

August 2026 Statement

Effective Date	TXN Date	TXN Type	Confirm Number	Web Confirm Number	Authorized Caller	Amount
8/27/2026	8/27/2026	RW	1806381	1767098	CRYSTAL SAMPSON	-520,000.00

Account Summary

Beginning Balance:	5,644,334.23
Total Deposit:	0.00
Total Withdrawal:	-520,000.00
Ending Balance:	5,124,334.23

CAMP Pool - Account Reconciliation

August 31, 2026						
Bank Activity				G/L Allocation		
Date	Description	GL Acct #	CAMP Pool	Interest Earnings	G/L Balance	
	Beginning Balance	10160	\$ 12,560.58		\$ 12,560.58	
8/31/2026	Interest Earnings	40231	40.49	40.49	40.49	
	Ending Balance	10160	\$ 12,601.07	\$ 40.49	\$ 12,601.07	G/L
				40231	10160	

U.S. Bank - Managed Investments Account Reconciliation

August 31, 2026										
Bank Activity							G/L Allocation			
Date	Description	GL Acct #	Monthly Market Value							
			Cash & Equivalents	Taxable Bonds at Book Value	Adj - Only Recorded at YE	US Bank Investments	Interest Earnings	Cash - BMO	Bank & Admin Services	G/L Balance @ Cost
	Beginning Balance	10170	\$ 159,777.75	\$ 19,250,856.55	\$ 362,896.82	\$ 19,773,531.12				\$ 19,410,634.30
8/18/2026	Transfer (to)/ from BMO	10110	(159,000.00)	-	-	(159,000.00)	-	(159,000.00)	-	(159,000.00)
8/17/2026	Taxable Interest - reinvested	40231	-	771.90	-	771.90	771.90	-	-	771.90
8/27/2026	Taxable Interest - reinvested	40231	-	3,917.53	-	3,917.53	3,917.53	-	-	3,917.53
8/27/2026	Taxable Interest - reinvested	40231	-	2,938.15	-	2,938.15	2,938.15	-	-	2,938.15
8/31/2026	Taxable Interest - reinvested	40231	-	835.34	-	835.34	835.34	-	-	835.34
	Transfers between assets		8,462.92	(8,462.92)	-	-	-	-	-	-
8/31/2026	Taxable Dividends - paid	40231	252.00	-	-	252.00	252.00	-	-	252.00
8/25/2026	Monthly Trustee Fees	50207	(164.85)	-	-	(164.85)	-	-	(164.85)	(164.85)
	Fair Value Adjustment	40232	-	-	(12,482.66)	(12,482.66)	-	-	-	-
	Ending Balance	10170	\$ 9,327.82	\$ 19,250,856.55	\$ 350,414.16	\$ 19,610,598.53	\$ 8,714.92	\$ (159,000.00)	\$ (164.85)	\$ 19,260,184.37
			(0.00)	0.00	-		40231	10110	50207	10170-00

Only booked at YE
Assets at MV

U.S. Bank - Bond Account Reconciliation
Held by Trustee

2023 REVENUE CERTIFICATES OF PARTICIPATION
Trust Agreement dated June 1, 2023

Bond Proceeds	12,062,601.15
Par Amount	10,925,000.00
Premium	1,137,601.15
Reserve Fund (surety bond issued by the Insurer; not a District asset)	1,055,500.00

August 31, 2026											
Bank Activity									G/L Allocation		
Date	Description	GL Acct #	Certificate			Prepayment		Total Fiscal Agent	Interest		
			Payment Fund	Interest Fund	Principal Fund	Fund	Aquisition Fund	Cash	Earnings	G/L Balance	
8/3/2026	Beginning Balance	70-00-10150	\$ 819.20	\$ -	\$ -	\$ -	\$ -	\$ 819.20	Bank	\$ 819.20	
	Interest Earnings	70-00-40231	1.33	-	-	-	-	1.33		1.33	
	Ending Balance	70-00-10150	\$ 820.53	\$ -	\$ -	\$ -	\$ -	\$ 820.53		\$ 1.33	
										\$ 820.53	G/L
										70-00-40231	70-00-10150

CHECK REGISTER
For the Period from
October 15, 2026 to October 15, 2026

Check #	Name	Line Description	Amount
11558	A & A Wiping Cloth, Inc	Flannel Rags (8 Boxes)	\$1,108.38
11559	ACWA Joint Powers Insurance Authority	2027 Annual Agency Dues	\$23,815.00
11560	ACWA Joint Powers Insurance Authority	Workers Comp Premiums- 1st Quarter	\$8,973.49
11561	ACWA/JPIA	Medical/Dental/Vision/EAP Premiums	\$44,378.70
11562	Amazon Capital Services	Bluetooth Mouse/UPS Battery Backup/Padlocks/Printer Paper/Work Light/Articulating Borescope	\$1,905.33
11563	Aspect Engineering	Auto Analyst-Remote Support - Twilio System	\$562.50
11564	Automotive Radiator Serv. Inc	Clean, Flush, Test Heat Exchangers	\$1,808.90
11565	B.S. & E.	Reach Lift Rental/Trailer Hitch Insert - PP2	\$406.17
11566	BACSCO	Pumps/Floats for Swamp Coolers - PP1- 4	\$652.96
11567	Birmingham Controls Inc	Kimray 12SGR Gas Supply Regulator (4)	\$1,818.60
11568	BMC Industries	Machine Lip on Bowl to Fit Column Pipe/Hub & Key Mfg./Manufacture Rocker Boxes - PP4	\$22,213.13
11569	Brown Armstrong Accountancy Corp	Work in Process - 06/30/26 Audit	\$8,381.95
11570	CAPS Aviation	Calibrate Torque Wrench	\$91.50
11571	Central California Instrument	Rosemount 2088 Gage & Pressure Transmitter (2)	\$9,073.27
11572	Cintas Corp	Uniform Service-September	\$1,323.70
11573	CivicPlus	DocAccess Essentials Annual Subscription	\$3,000.00
11574	Clerou Tire Co. Inc	6 - Good Year G622 Tires - PP41	\$3,553.79
11575	Coastline Equipment	Batteries & Cutting Edge for E64 Motor Grader	\$1,358.80
11576	Condition Monitoring Services	Vibration Analysis (11 Machines)	\$630.30
11577	Core & Main, LP	Epoxy Coated Bales/Victaulic Coupling/Strainer Mesh/Check Valves/2" Meter/Gate Valves/Plugs	\$8,656.97
11578	Delta Pump Systems	Prep, Sandblast, Coat 9 Sections of Pump/Tear Down & Repair 7 Stage Pump	\$24,935.50
11579	EMTS, Inc (Elite Maintenance & Tree Service)	Monthly Landscaping Maintenance - September	\$1,058.56
11580	Envirotech Consultants, Inc	ZEF Fleet Review	\$90.00
11581	Esquivel's Janitorial Service	General Office Cleaning-September	\$600.00
11582	Estes Express Lines, Inc	Ship P1 E4 Gearhead to DeRan Gear	\$995.36
11583	Gardner, Evan	Utility Account Deposit Refund (HM#6)	\$145.91
11584	Grainger W.W.	Actuator & Unit/Water Filter Cartridges/JET Bench Grinder Shield	\$1,215.55
11585	Home Depot	Unistrut Channel/Scrub Brush/Knee Pads/Folding Workbench/Primer/Circular Saw Blades/Hose	\$641.50
11586	Insight Direct USA	Annual WiFi License	\$234.76
11587	Jim Burke Ford	Clean Drums/New Rotors/Adjust Brake Shoes - PP39	\$2,006.59
11588	Kern County Public Works Dept	Disposal - Batteries/Paint Cans	\$155.65
11589	Kern County Water Agency	2024-25 GEI Specialist Consultant Costs	\$253.00
11590	Lebeau-Thelen, LLP	General Legal - September	\$6,927.50
11591	Lee, Steve (Announce Solutions)	Monthly Maintenance/Reset SCADA 6000 Switch/Configure VNN-RDP	\$1,495.25
11592	Level 3 Communications, LLC	Office Phone Service / Internet Service	\$1,669.84
11593	McMaster - Carr Corp	Natural Rubber Vibration-Damping Sandwich Mount w/Steel Stud	\$164.62
11594	Motion & Flow Control Products, Inc	SAE Flare X Mnpt Adapters (5)	\$46.92
11595	Motion Industries	Keyless Locking Assemblies (4)	\$3,687.89
11596	Murphy's Diesel & Auto Repair	Repair Steering, Fuel Filter, Idler Arm, Center Link, Control Arm, Tie Rod - PP38	\$5,384.78
11597	N.B. Sales & Service Inc	Troubleshoot NXB-11 Air Compressor	\$350.00
11598	Navillus Enterprises	Vehicle Gas/Diesel - September	\$11,552.43

CHECK REGISTER
For the Period from
October 15, 2026 to October 15, 2026

Check #	Name	Line Description	Amount
11599	Office 1	Color Copy Charge - September	\$205.39
11600	Optimized Investment Partners, LLC	Investment Advisory Services - September	\$2,418.28
11601	O'Reilly Auto Parts	WeatherTech Mats - PP42, PP43, PL22 / Wipers-PP40 / Air Filters-PP34, PP35/Cabin Filter AD04	\$1,167.21
11602	Orkin	Pest Control Services - PP's, Office & Shop	\$945.47
11603	P & J Electric Inc	Electrician Foreman-Emergency Generator Testing-PP 3 / Service Call -Emergency Generator Test.	\$1,559.19
11604	Pacific Mechanical Supply	Rebuild Mechanical Seals at PP5	\$3,780.24
11605	Pacific State Construction	Deposit Refund - Disconnected Services	\$177.27
11606	Petty Cash Reimbursement	Cylinder Head Lube PP 1- 4 / Cabin Filter PP41 / Gasket Maker / Bolts / Certificate of Mailing	\$145.58
11607	Provost & Pritchard	PP1 Gearhead Project	\$1,698.37
11608	Reich USA Corp	ARCUSAFLEX Coupling Payment #1 35% of Total	\$31,928.75
11609	Robinson Welding Supply Inc	Nitrogen, Compressed / Cylinder Rental - September	\$251.07
11610	Safety-Kleen Corp.	Waste Oil Pickup - PP's 1, 2, 3	\$3,562.50
11611	Shreds Unlimited	Shredding Service - October	\$50.00
11612	Silvas Oil Company	Pegasus Mobil 805 Ultra for PP's 1, 2, 3, 4	\$32,517.18
11613	Sta-Clean Products Inc	Coolant Sample Bottles	\$2,840.48
11614	Tehachapi News	Employment Ad - HD Mechanic and PL Maint I/II 9/2, 9/9, 9/16	\$306.00
11615	Tehachapi Window Tinting	Rear Window Tinting - PP41	\$165.00
11616	The Tire Store	Tire Repair-PP38 / Oil Change-PL20, PP40, AD04	\$590.00
11617	ULINE	Earplugs / Nitrile Gloves / Wypalls	\$802.34
11618	Underground Serv. Alert of No.CA & Nevada	2026 Membership Fee \$300 plus NEW Unique	\$2,121.38
11619	USA Bluebook	Zenner Class II Turbine 2" Direct Read Meters - 4 @ \$879.95 ea	\$4,546.08
11620	Waste Management-Kern County	Propane-PP5 (32 Gals.) / Recycling, Gate Fees / Porta Pottie Service-PP's, Shop	\$951.37
11621	Waukesha-Pearce Ind. Inc	ECU Assembly, Remote Programming/Magnetic Pickups (6)/Cable Harness (2)/Lube Oil Filters (200)	\$35,275.63
11622	Wesco Receivables Corp	Bimetallic Overloads (4) / Contactors (4)	\$1,039.20
11623	Wienhoff Drug Testing	Random Selection / Program Addition/Breath Test	\$305.00
11624	Witt's	Printed Return Envelopes	\$86.60
Check Total			\$336,760.63



MANAGER'S REPORT – OCTOBER 21, 2026

SUMMARY

This picture is Paul Dutcher, our Pumping Systems Supervisor and Noelle Penner, our Project Engineer from Provost & Pritchard accepting the award for “Outstanding Energy Project” for our Engine Replacement Project. We not only won the award for the South San Joaquin branch of ASCE but for the LA Section as well! The awards banquet was held on the Queen Mary in Long Beach. Paul and his lovely wife Natalie attended. Along with Noelle and her partner Jim (he’s lovely too) and my (non-lovely) self. Noelle was selected to present the project at the US Conference on Drainage and Irrigation in Reno on Oct. 20. I will also attend and then do my very best to return to the office in time for our Board meeting on Oct. 21. Great job Noelle and team!



STATEWIDE/REGIONAL

- I include a chart each month in this report of reservoir levels throughout the state. I have attached a special version today. This is a social media post from DWR on Oct. 14. The narrative states that it shows reservoirs across the state are “at or near average right now”. It helpfully includes a legend that completely disproves this assertion. The reservoirs shows are all between 15% and 32% above average. In fact, they (and most of the other reservoirs in the state) are close to full (84% - 98% on the insert). This as we enter what is predicted to be a catastrophically wet winter. Where do they plan to store the water? I’ve been harping on this all year, it’s outrageous to see DWR misrepresenting the current conditions.
- The HRL fallout continues. SRWQCB has announced they will release the draft final version of the report on Oct. 18 and hold public hearings on Oct. 28-29. It is speculated that they will approve the final report at that time over the strenuous objections of a large coalition of stakeholders who oppose their draft. Comments have been submitted by USBR (CVP operators), Westlands Water District, State Water Contractors (including TCCWD) and Metropolitan Water District. Many have indicated they will not sign the agreement in its current form.

LOCAL

- We have signed the Professional Services Agreement with Aspect Engineering, and the SCADA upgrade project should be starting shortly. This will leave us in excellent position to make the transition to the new system once operations cease for this pumping season. We are still scheduled to shut down on November 25.
- System operations are at maximum capacity. We have had an invigorating year! Unexpected equipment failures, mussels, mussels, mussels, erratic allocations, and a number of other challenges have not daunted our amazing team. Many thanks to Jon and his operations teams for their superior service.
- We are transitioning from peak demand to managing lake levels and recharge capacity at the end of an unusual year. We never filled the lake, as typical, but were able to meet our customer’s peak demands through early season recharge management and customer cooperation. The cycle continues and we move into planning for next year and the unknown challenges that the Super Duper Ain’t Never Seen Nuttin’ Like it El Nino are predicted to present.

OTHER ITEMS

- I will provide an oral report on the USCID conference in Reno at our meeting. I won’t be returning until late Tuesday night, Oct. 20, so I’m not sure how cogent my report will be.
- I’m excited to announce that Cat Adams, our Assistant General Manager – Administration has embarked on her year-long JPIA Leadership for Water Professionals journey. She will be the fourth member of Team TCCWD to tackle this challenge. The program now has more than 250 alumni and I think it provides excellent training for water industry leaders.

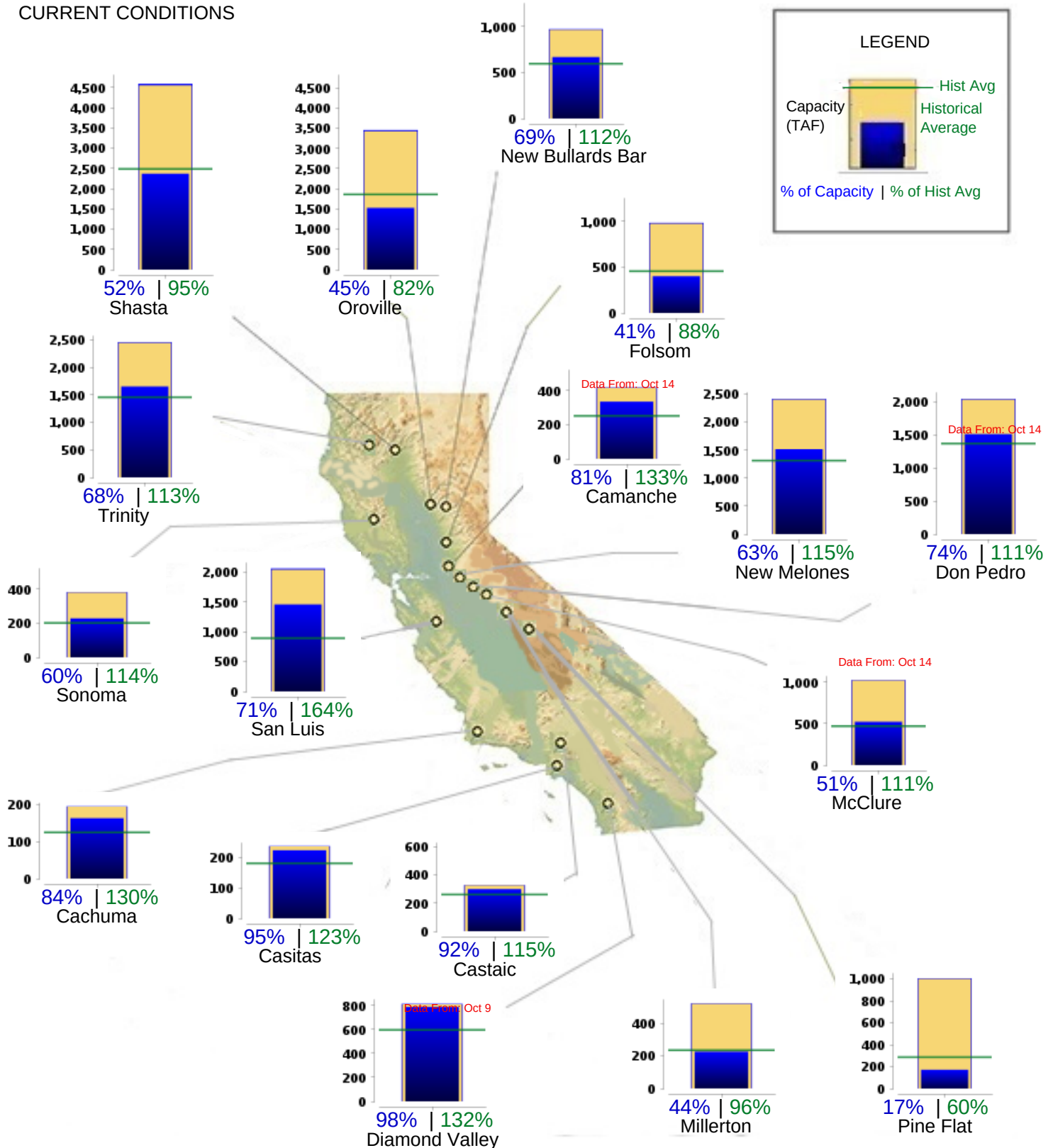


CURRENT RESERVOIR CONDITIONS

CALIFORNIA MAJOR WATER SUPPLY RESERVOIRS

Midnight - October 15, 2026

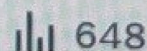
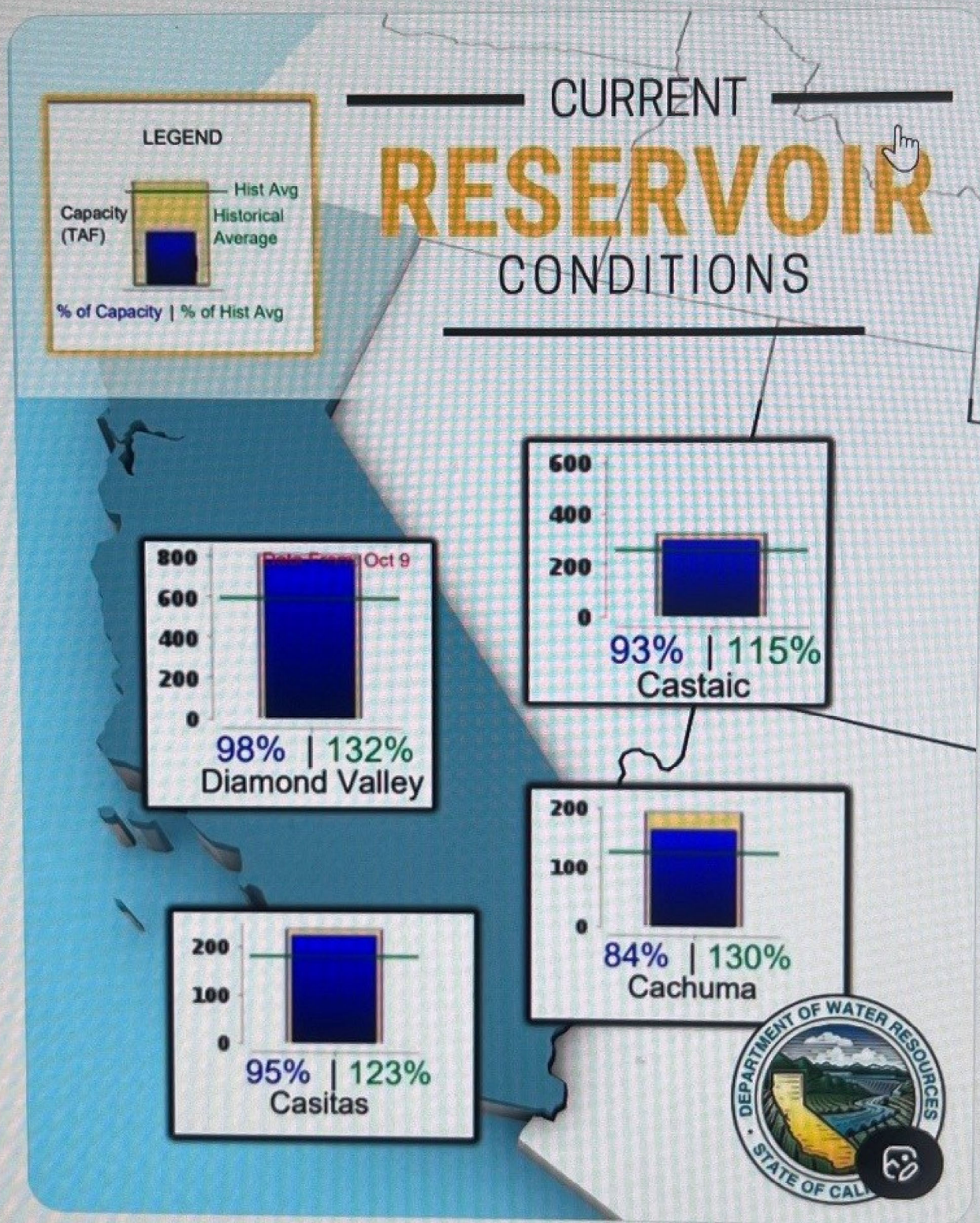
CURRENT CONDITIONS



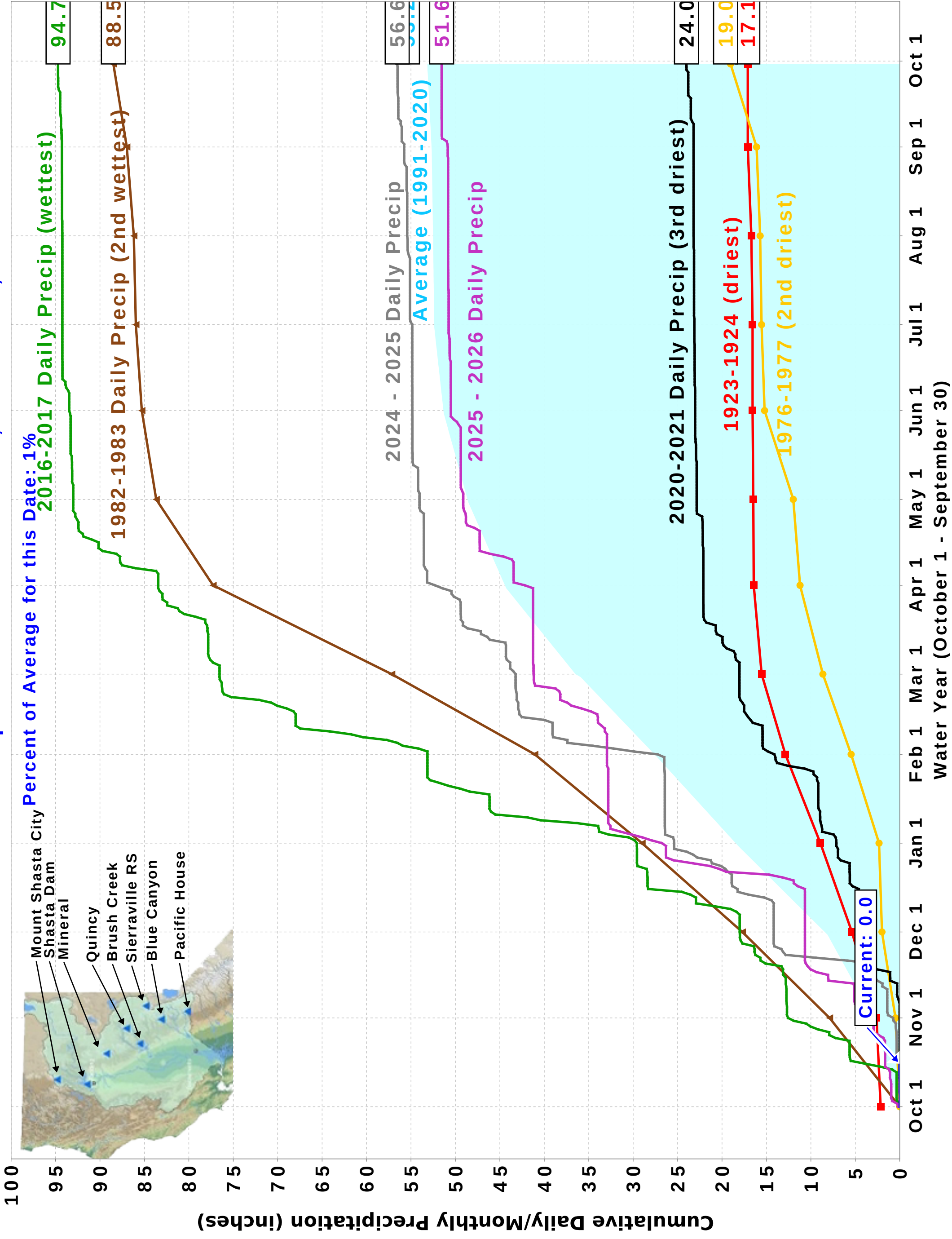


California Department of Water Resources  @CA_DWR · Oct 14 

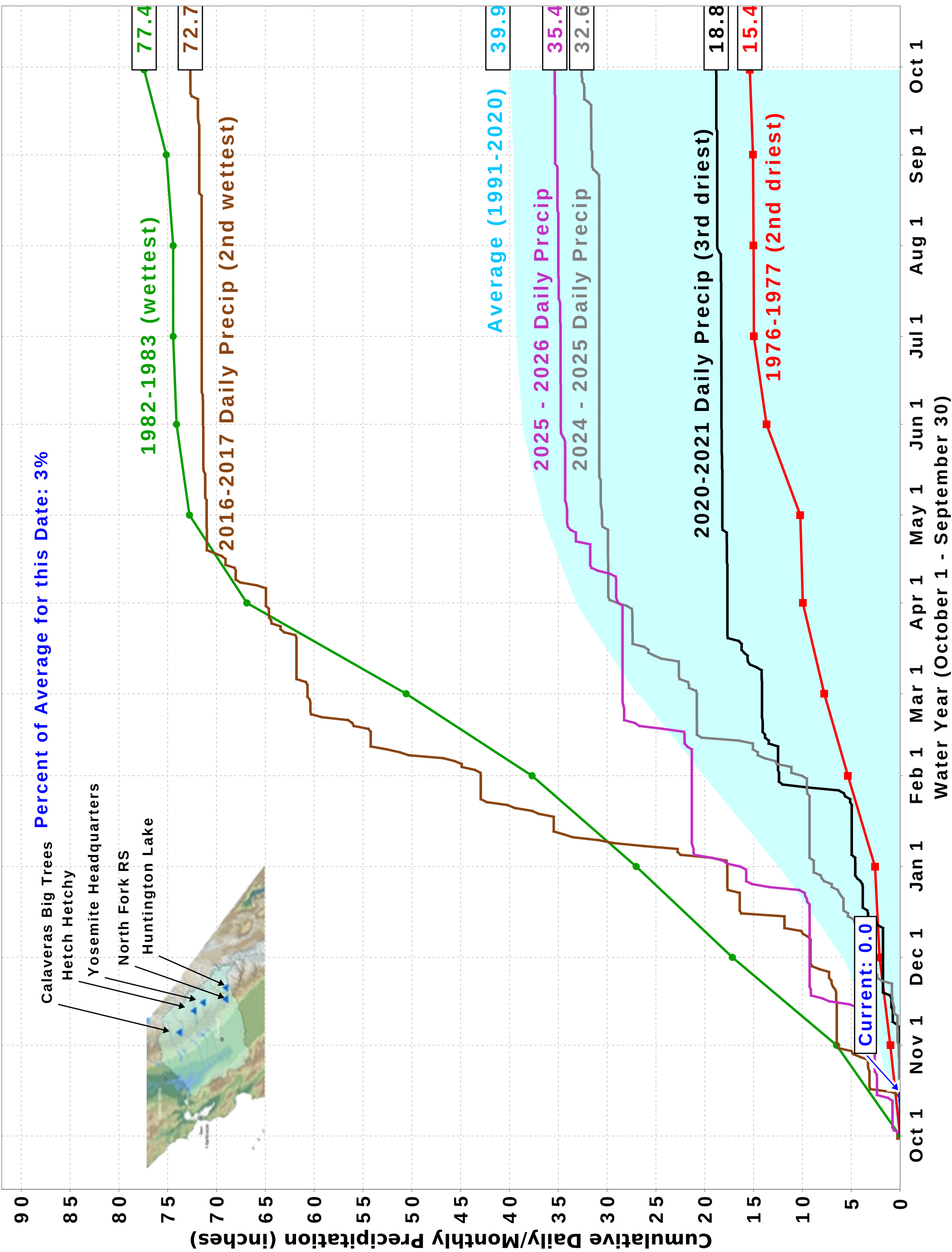
Reservoirs in Southern California and across the state are in good shape this time of year! Most of our reservoirs are at or near average right now and that's good news for all Californians. Learn more at cdec.water.ca.gov/resapp/Rescond...



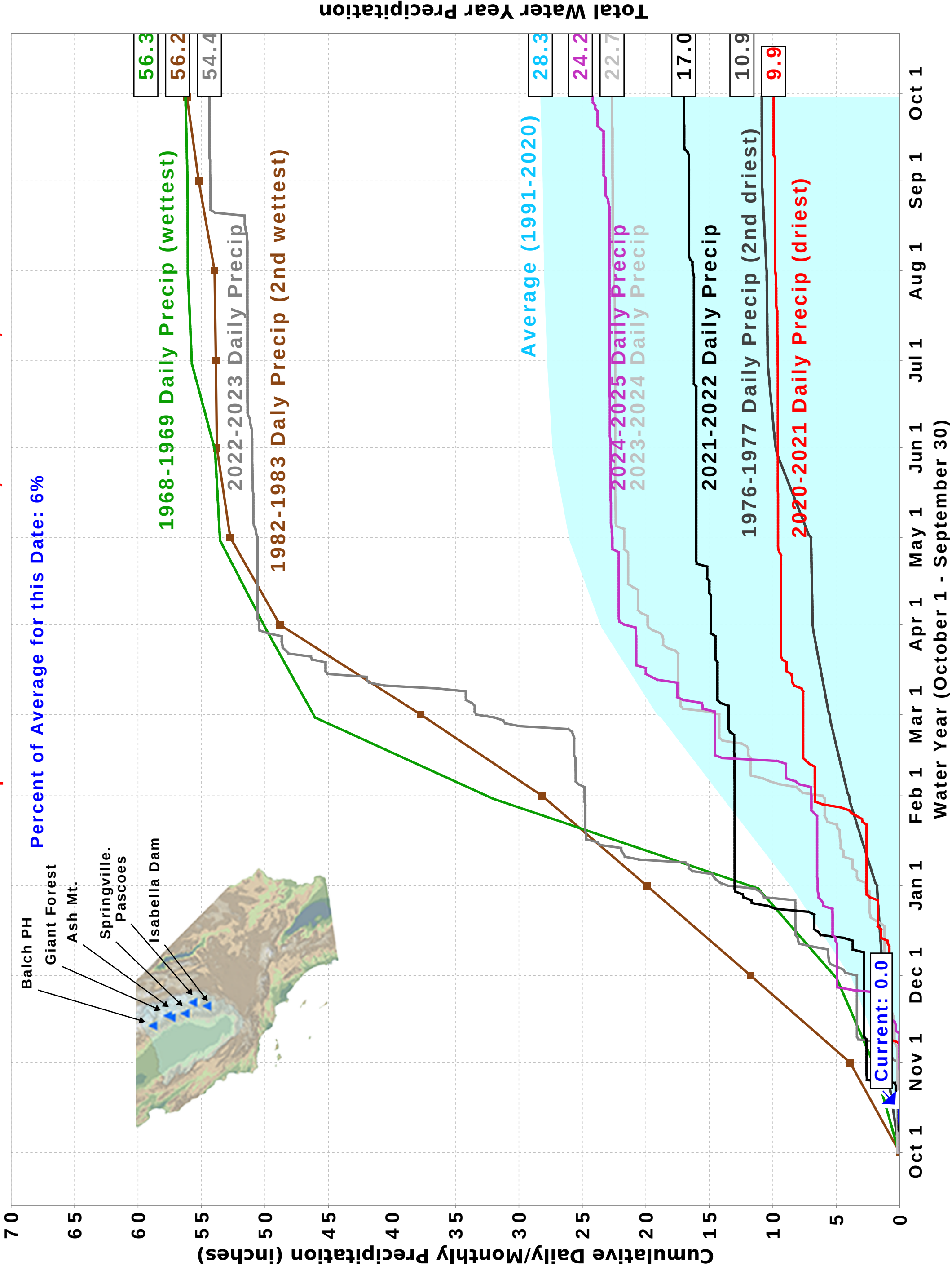
Northern Sierra Precipitation: 8-Station Index, October 16, 2026



San Joaquin Precipitation: 5-Station Index, October 16, 2026



Tulare Basin Precipitation: 6-Station Index, October 16, 2026



OPERATIONS REPORT- OCTOBER 21, 2026

SUMMARY

As an update to last month's Operations Report, we have received and installed the repaired heat exchanger and 7-stage pump at PP2-E1. On the negative side, we had an issue at PP2-E4 with the pump column/discharge head connection. The column is currently being repaired, and we have a spare unit being fabricated. We are scheduled for the repairs to be completed at PP4 by October 26.

On the Capital Project front, we have received agreements/contracts along with the required supporting documents back from the contractors on both the SCADA Platform Upgrade Project and the PP3 Roof Replacement Project. Since Aspect is our existing SCADA contractor, they have been able to begin some of the back-end work to keep the project on schedule. The PP3 Roof Replacement will begin once we have ceased importation operations and will take approximately one week to complete.



OPERATIONS

Brite Lake data from October 16, 2026: elevation was 4349.5', volume was 865.0 Acre-Feet, and the level was 23.5'. The importation system is operating on a three-engine system at 21cfs. We are operating the 19 Acres and CB Westerly Cummings Ponds recharge facilities as needed and to date we have recharged 502 Acre-Feet in Cummings Valley and 121 Acre-Feet in Tehachapi Basin. As of this report, we have imported 6,591.6 Acre-Feet.

MAINTENANCE

Pumping Systems

- Pump Plants 1-3, performed spark plug replacements and valve adjustments
- Routine oil services on engines and RA drives.
- Torsional analysis completed for the PP1 Gearhead Replacement Project
- Installed new 7-stage pump at PP2-E1
- Warranty work with WPI at PP's 2/3
- Installed repaired heat exchanger at PP2, E1

Pipeline

- Leak repair on Neely Ave. (4" line)
- Culvert cleanouts in Mountain Meadows and Antelope Run
- Installed new 2" turnout on Pegasus
- Ran Nunes Well on portable generators for testing
- Completed CASGEM and KEY well soundings
- Installed two private well meters in Tehachapi Basin, GIS capture

Other items:

- Operations Staff attended Workplace Violence and Lock Out-Tag-Out training
- Work on the Kern Multi-Jurisdictional Hazard Mitigation Plan
- Staff attended Golden Mussel web meetings with Kern County, KCWA, CDFW and CalOES
- Coordination with P&P on PP1 (new gearheads) and PP4 (electric motor feasibility) projects
- Attended Local Utilities Meeting
- Meeting with SEPRO on 10/30 for a Golden Mussel Treatment proposal can be submitted.
- Type II Slurry seal applied in district yard. Fog seal and striping to be completed 10/23 – 10/26

LOOKING AHEAD

Staff continues to develop off-season task lists for both Pipeline and Pumping Systems operations along with Capital Project tasks.



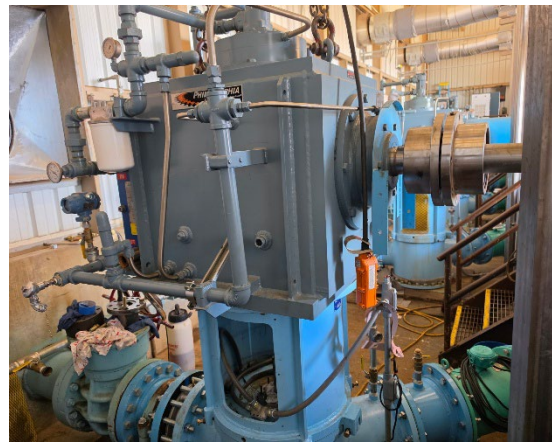
Cleaning Drainage Culvert at Teh. Blvd.



Leak on Neely Ave.



Collecting GIS Data on Pegasus



Re-Installed Gearhead at PP2-E1



Reinstalling 7-Stage Pump at PP2-E1



Worn Discharge Head/Column at PP4-E2

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
October 21, 2026

TOPIC: Consider Letter of Support for Northern Pipeline Project of the Mojave Groundwater Bank

ITEM FOR: Action

PURPOSE: Consider TCCWD Support for Northern Pipeline Project

IMPACT: Policy, Water Supply

SUBMITTED BY: Tom Neisler

EXECUTIVE SUMMARY

Proponents of the Mojave Groundwater Bank are seeking support from a coalition to demonstrate widespread support for the project. The Board will consider whether to direct the General Manager to execute a letter of support on behalf of the district.

BACKGROUND

Cadiz, Inc. has proposed a groundwater banking and conveyance project in the Mojave Desert in eastern San Bernardino County. The project proposes pumping 50,000 AFY of groundwater from a remote basin to supply water to areas in Southern California and elsewhere. The project has been under review for decades. Its fortunes have risen and fallen depending on the administration in power at the time.

One component of the project is to convert a dormant oil and gas pipeline to convey groundwater from the project site west to the Central Valley. The pipeline passes through Boron, Mojave, over the Tehachapi Mountains and through Tehachapi and westward into the San Joaquin Valley. Cadiz purchased the pipeline from El Paso Natural Gas in 2021. The US Bureau of Land Management (BLM) approved a right-of-way in July 2026 to allow the pipeline to be converted and operated across BLM lands for a 50-year term. This approval is being challenged on a number of grounds, and the proponents are attempting to generate support. Significant legal, regulatory and technical challenges will need to be overcome.

A number of Kern County agencies have provided letters of support for the project including: Kern County Board of Supervisors, City of Tehachapi, Rosamond CSD, Arvin CSD, Boron CSD and Muroc WD. I have attached an analysis of the project from the Kern County Administrative Office that provides a detailed project description and analysis (Attachment "A") and the KC Board of Supervisors Letter of Support (Exhibit "B").

I have some familiarity with the project. I attended a tour to the site in 2018. I can verify it is a long, long 3 hour bus ride from Ontario in remote Mojave desert. I have spoken several times since then with Cadiz representatives about opportunities to enhance water supplies in our area from this project. Indications were that this was unlikely, and logistics seem problematic to me as well. However, any possibility of bringing new water supplies into Kern County should be encouraged. I have drafted a Letter of Support for TCCWD for consideration (Attachment "C").

FISCAL IMPACT

No direct fiscal impact anticipated.

COMMITTEE RECOMMENDATION

None.

RECOMMENDED MOTION

"I move that the Board direct the General Manager to sign a letter of support for the Northern Pipeline Project of the Mojave Water Bank."

ATTACHMENTS

A – Response Letter from Kern County Admin, October 13, 2026

B – Kern County Letter of Support, October 13, 2026

C – Draft TCCWD Letter of Support

ATTACHMENT "A"

October 13, 2026

Board of Supervisors
Kern County Administrative Center
1115 Truxtun Avenue
Bakersfield, CA 93301

**RESPONSE TO SEPTEMBER 22, 2026 LPC REFERRAL
REGARDING THE CADIZ NORTHERN PIPELINE PROJECT
Fiscal Impact: None**

This letter is in response to a Board referral made at the September 22, 2026 Legislative Program Committee (LPC) meeting directing staff to draft a letter of support for the Cadiz Northern Pipeline project.

For background on the project, Cadiz Inc. proposes to repurpose a long-idle oil and natural gas pipeline, known as the Cadiz Northern Pipeline, to convey groundwater from the eastern Mojave Desert in San Bernardino County north toward Boron, traveling west to Mojave, passing through the Tehachapi area and terminating in the Central Valley near Mettler in Kern County. Cadiz Inc. purchased the unused petroleum pipeline from El Paso Natural Gas Company, completing the transaction in 2021.

The federal Bureau of Land Management (BLM) approved a 50-year right-of-way (ROW) in July 2026 to allow conversion and long-term operation of the pipeline across BLM-managed lands. Construction contracts have been announced, and initial deliveries are described as up to 25,000 acre-feet per year when the system is first placed into service. At the same time, environmental organizations and several tribes have filed new lawsuits challenging the BLM approval, and a 2019 state law (SB 307) requires additional state-level review before desert groundwater can be moved using public conveyance.

The proposal dates back decades and is now presented as the Mojave Groundwater Bank, which would withdraw and store water within the Cadiz aquifer, which is fed by the Bristol Valley, Cadiz Valley and Fenner Valley watersheds in the eastern Mojave Desert. The 3-inch diameter steel pipeline is approximately 220 miles in length and runs underground from Cadiz's property near Amboy in San Bernardino County, north and then west towards Kern and the Central Valley. In July 2026 the BLM issued a Finding of No Significant Impact (FONSI) and a Decision Record, authorizing conversion and long-term operation of the pipeline under the Federal Land Policy and Management Act (FLPMA).

According to the State's SGMA Basin Prioritization Dashboard¹, the Bristol Valley basin (DWR Basin No. 7-008), the Cadiz Valley basin (DWR Basin No. 7-007), and the Fenner Valley basin (DWR Basin No. 7-002) are all designated as a "very low priority". Because of this classification, the basins do not require state-mandated Groundwater Sustainability Agencies (GSAs) or a state-overseen Groundwater Sustainability Plan (GSP) and instead rely on local management. Per company reports, all groundwater use at Cadiz is regulated by San Bernardino County under its Desert Groundwater Management Ordinance (DGMO)². The company's annual reporting to San Bernardino County includes water quantity, water quality, and water levels.

¹ <https://gis.water.ca.gov/app/bp-dashboard/final/#>

² https://codelibrary.amlegal.com/codes/sanbernardino/latest/sanberncty_ca/0-0-0-159109

In late 2025 Cadiz announced a financing agreement with Lytton Rancheria, a federally recognized tribe located in northern California, that would provide an initial tranche of funding upwards of \$51 million, that could be converted into project ownership interests for Lytton. Cadiz also reports execution of Construction Manager at Risk contracts for pumping stations and additional infrastructure, estimating capital costs at approximately \$403 million.

In July 2026, the Central Arizona Irrigation and Drainage District (CAIDD) signed a non-binding memorandum of understanding to pursue up to 10,000 acre-feet per year via interstate exchange mechanisms. CAIDD currently provides water to farmlands in Pinal County (AZ), where growers are dealing with water cutbacks. Under that agreement, Cadiz would deliver non-Colorado River water in California to agencies connected to its Northern Pipeline. In return, CAIDD would receive an equivalent amount of Colorado River water through existing canals and allocations already serving Arizona. No physical water would cross state lines; instead, the Bureau of Reclamation would track the exchanges so the ledger balances across state lines. Stated another way, the deal uses paper exchanges, rather than a new pipeline, to move water benefits across state lines. To become official, it still needs binding contracts, federal approval for exchange accounting, and state compliance in California.

In sum, Cadiz presents the project as providing new supplies and increased groundwater storage to help communities manage drought, Colorado River shortages, and insists that the amount of groundwater it is proposing to convey is currently lost to evaporation, claiming that the project is extracting resources in a sustainable manner.

In juxtaposition, while Cadiz and its tribal partner describe the project as a critical long-term water supply investment for Southern California, the proposal has faced years of scrutiny and opposition from some environmental organizations and desert conservation advocates who have raised concerns about groundwater extraction in the Mojave Desert.

The Center for Biological Diversity and Sierra Club filed suit in the U.S. District Court (Los Angeles) seeking to vacate the July 2026 BLM approval, alleging violations of the National Environmental Policy Act (NEPA) and other statutes. A separate suit by the Fort Mojave Indian Tribe and Chemehuevi Indian Tribe, joined by partners, raises similar claims and emphasizes impacts to natural springs, wildlife, and cultural resources.

Opponents assert that pumping desert groundwater faster than it is naturally recharged would lower the water table, potentially drying out springs and seeps, degrading wildlife habitat (e.g., desert tortoise, bighorn sheep), and exposing playa lakebeds that could generate wind-blown dust with heavy metals, citing Owens Lake as an analog.

In addition, SB 307 (Roth, 2019) requires the California State Lands Commission (SLC), in consultation with state resource agencies, to find that transfers of desert groundwater using public conveyance will not adversely affect natural or cultural resources before such transfers may occur. This state review applies to proposals like the Cadiz project that rely on conveyance facilities with unused capacity.

In December 2024, the SLC terminated its pipeline right-of-way lease that otherwise could have continued into 2035 and issued a 3-year caretaker lease to El Paso Natural Gas to maintain the pipeline in idle status while it develops a decommissioning plan. El Paso Natural Gas Company, the state's lessee, sold the pipeline to Cadiz Inc. in 2014 without the Commission's consent to assign the lease. The portion under lease with the Commission is roughly 1 mile. The pipeline has been idle since 2000 and was previously part of a distribution

system that transported oil across California and into Arizona and Texas. The caretaker lease required El Paso Natural Gas Company to submit a decommissioning plan and application by December 2025³. Subsequent communication with the SLC revealed that El Paso Natural Gas Company submitted its application and decommissioning plan on December 15, 2025. The plan would remediate the 1.1-mile segment of pipeline on State lands by capping both ends of the segment and filling the space in between with a concrete slurry to prevent ground subsidence if the structural integrity of the pipeline was ever compromised. As of the date this report was drafted, the SLC has not considered (approved or denied) the decommissioning proposal with staff suggesting it could be considered by the Commission in early 2027.

In March 2026, Fenner Gap Mutual Water Company/Cadiz submitted an application/request for review to the SLC for consultation and findings to use the Northern Pipeline under Water Code Section 1815. That review process is underway and SLC staff anticipates it will present its findings to the Commission in Q1 2027. It is unclear what Cadiz will do if the SLC approves and requires El Paso Natural Gas Company to follow through with the capping and remediation of the 1.1-mile segment on State lands. Capping the small segment could jeopardize the remaining 220 miles of pipeline for the water conveyance project.

All told, the current federal ROW itself does not authorize groundwater pumping nor substitute for state and local-level approvals (e.g., SB 307 review, SLC lease agreement for conveyance, San Bernardino County DGMO). If future local actions are requested within Kern (e.g., use of rights-of-way or interconnections), those would be brought to the Board through normal processes.

Per the LPC referral, a draft support letter addressed to the SLC is attached to this Board letter for your consideration. The letter conveys the County's support for the project, provided that all required state and federal regulatory processes and legal challenges are fully resolved.

Therefore, IT IS RECOMMENDED that your Board discuss and provide direction on the proposed support letter.

Sincerely,



Nancy Anderson
County Administrative Officer

NA/TB: LEGGEN Response to September 22, 2026 LPC referral regarding Cadiz Northern Pipeline project (BOS).docx

Attachment

cc: County Counsel

³ <https://www.slc.ca.gov/commission-meeting-highlights/december-17-2024-meeting-highlights/>

ATTACHMENT "B"

**BOARD OF SUPERVISORS
COUNTY OF KERN**

SUPERVISORS

PHILLIP PETERS	District 1
CHRIS PARLIER	District 2
JEFF FLORES	District 3
DAVID COUCH	District 4
LETICIA PEREZ	District 5



JULIE GRAGG
CHIEF CLERK OF THE BOARD OF SUPERVISORS
Kern County Administrative Center
1115 Truxtun Avenue, 5th Floor
Bakersfield, CA 93301
Telephone (661) 868-3585
TTY (800) 735-2929
www.kerncounty.com

October 13, 2026

The Honorable Malia Cohen
Chair, California State Lands Commission
100 Howe Avenue, Suite 100 South
Sacramento, CA 95825

**Subject: Cadiz Northern Pipeline Project – Support Contingent on Completion of
Regulatory and Legal Requirements**

Dear Chair Cohen,

On behalf of the Kern County Board of Supervisors, thank you for the opportunity to comment on matters related to the Cadiz Northern Pipeline project. The County recognizes the significant potential of the proposed project to enhance water supply reliability, expand groundwater storage capacity, and support regional resilience in the face of drought and ongoing Colorado River shortages. Cadiz Inc.'s proposal to repurpose an existing, long-idle natural gas pipeline into a conveyance system capable of moving groundwater north toward Kern County represents a notable effort to utilize existing infrastructure for public benefit.

We also acknowledge the substantial progress made at the federal level, including the Bureau of Land Management's (BLM) approval of a 50-year right-of-way governing long-term operation of the pipeline across BLM-managed lands. Recent project developments, such as construction contracts, financial partnerships, and exploration of interstate exchange mechanisms, demonstrate momentum and a growing interest in new approaches to regional water management.

At the same time, the County is mindful of the important regulatory and legal processes that remain underway. Environmental organizations and several Tribal governments have filed lawsuits concerning federal approvals, and SB 307 (Roth, 2019) requires the State Lands Commission (SLC), in consultation with other resource agencies, to ensure that transfers of desert groundwater using public conveyance will not adversely affect natural or cultural resources. In addition, we understand that a portion of the pipeline under SLC lease is subject to separate requirements that must be addressed.

The County respects the role of the SLC and the importance of thorough environmental review, Tribal consultation, and compliance with all applicable state and federal laws. Our support for the Cadiz Northern Pipeline project is therefore contingent on the successful completion of these required

California State Lands Commission
Cadiz Northern Pipeline Project
October 13, 2026
Page 2

processes and on clear findings that the project's operations will protect California's desert ecosystems, cultural resources, and groundwater basins.

We appreciate the Commission's careful work on this matter and remain committed to supporting responsible, sustainable water supply solutions for California. Thank you for your consideration.

Sincerely,

Phillip Peters, Chairman
Kern County Board of Supervisors

cc: Eleni Kounalakis, CA State Lands Commission Member
Joe Stephenshaw, CA State Lands Commission Member
Matthew Dumlao, Executive Officer, CA State Lands Commission
Honorable Members, Kern Legislative Delegation
Susan Kennedy, Chairman and CEO, Cadiz, Inc.
Shaw Yoder Antwih Schmelzer & Lange



**Tehachapi-Cummings
County Water District**
Our Water • Our Future

Directors:
John M. Ables
Gerald Davis
Jonathan Hall
Robert W. Schultz

Officers:
Robert W. Schultz, *President*
Jonathan Hall, *Vice President*
Thomas P. Neisler, *General Manager*
Catherine Adams, *Secretary*
Crystal Sampson, *Treasurer*

ATTACHMENT "C"

October 22, 2026

Members of the California State Lands Commission
100 Howe Avenue, Suite 100-South
Sacramento, CA 95825

Re: Support for the Cadiz Northern Pipeline Project

Dear Chair and Members of the Commission:

On behalf of the Tehachapi-Cummings County Water District, I am writing in support of the Cadiz Northern Pipeline Project and its potential to strengthen California's water resilience.

At a time when small, rural, disadvantaged communities like those located in Kern County face increasing pressure from drought, rising costs, housing shortages and water quality challenges, Cadiz is making water supply more accessible for small, rural, and disadvantaged communities through its Northern Pipeline Project.

Kern County is located in the Southern part of the Central San Joaquin Valley and the surrounding mountains. Many of the residents in our rural communities are agricultural workers and many of these communities depend on local groundwater from critically over-drafted basins for drinking water. It makes access to affordable and clean water especially vulnerable when drought reduces groundwater levels and when imported water is reduced. Since income levels in rural agricultural communities are generally lower, this can add stress to the aquifers, reduce our ability to pay for the water and impede our ability to grow our housing and industry.

UC Davis's Center for Watershed Sciences identified more than 1,000 California communities who face heightened risks due to the severe drought conditions occurring across the West.

Cadiz' Northern Pipeline can provide important regional benefits by expanding the state's ability to store, convey, and exchange water supplies during dry years, including by facilitating exchanges among State Water Project, Central Valley Project, Colorado River, and local water users. During severe drought years, those types of exchanges can help reduce pressure on stressed groundwater basins and preserve supplies for communities that have fewer options.

Tehachapi-Cummings County Water District supports the Cadiz's Northern Pipeline Project and encourages the State Lands Commission to move quickly in recognizing the importance of projects that add practical, flexible water management tools for California.

Regards,

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Thomas P. Neisler
General Manager

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
October 21, 2026

TOPIC: Approve Term M&I Agreement with City of Tehachapi

ITEM FOR: Action

PURPOSE: Approve New Term M&I Agreement with City of Tehachapi

IMPACT: Policy, Water Supply

SUBMITTED BY: Tom Neisler

EXECUTIVE SUMMARY

Approve Term M&I Agreement including provisions included in the Settlement Agreement to resolve litigation with the City of Tehachapi.

BACKGROUND

On July 10, the City of Tehachapi and TCCWD entered into a Settlement Agreement to resolve various claims between the two entities. The settlement terms included provisions for long-term water supply guidelines. These required revisions to the district's Rules & Regulations which were approved with Resolution 13-26, adopted by TCCWD on September 17, 2026. These actions precipitated the preparation of a new Term M&I Agreement between the City and TCCWD. This agreement is attached as Attachment "A". The City of Tehachapi City Council is scheduled to approve the agreement at their meeting on October 19, 2026. I have attached the City's agenda staff report, prepared by Don Marsh – Development Services Director, as Attachment "B". His report describes the agreement accurately and I saw no need to repeat the salient points. This agreement has been exhaustively reviewed and revised and I believe that it serves the City, the district and all of the residents within our service area with a long-term water supply outlook and tools to manage the water supply.

FISCAL IMPACT

No direct fiscal impact anticipated.

COMMITTEE RECOMMENDATION

None.

RECOMMENDED MOTION

"I move that the Board approve the Term M&I Agreement with the City of Tehachapi dated _____."

ATTACHMENTS

- A – Term M&I Agreement between City of Tehachapi and TCCWD
- B – City of Tehachapi Council Report dated October 8, 2026

ATTACHMENT "A"

TERM M&I AGREEMENT

(Tehachapi Basin)

THIS AGREEMENT is entered into effective _____, 2026 (**Effective Date**), by and between TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT, a county water district (**District**) and CITY OF TEHACHAPI (**Water User**).

RECITALS

- A. As provided in Part C of the District's Rules and Regulations, as amended from time to time (**Rules and Regulations**), it is the District's policy to meet the present and future needs of its Term M&I Agreement customers from the District's State Water Project water (**SWP Water**) supply pursuant to the District's two water supply contracts with the Kern County Water Agency (**KCWA**), both dated December 16, 1966 (**KCWA Water Supply Contracts**). Water User for many years has had a Term M&I Agreement with the District for M&I use as defined in the District's Rules and Regulations and wishes to enter into a further Term M&I Agreement, as herein provided.
- B. This is a "Term M&I Agreement," entered pursuant to the Rules and Regulations and does not govern Water User's purchase of agricultural water.
- C. Pursuant to Part K of the District's Rules and Regulations, the District claims all right, title and interest in and to all return flows into any groundwater basin within the District's boundaries of water imported by the District, whether by means of waste, seepage or percolation before or after delivery, use or reuse, or from the District's intentional recharge of imported water, including without limitation, SWP Water by the District in District spreading areas, together with the right to recapture and otherwise utilize same (all such return flows hereafter "**Recharge Water**").
- D. The District, in its discretion, may elect to allow retail purveyors having Term M&I Agreements with the District to pump Recharge Water in lieu of taking surface deliveries of SWP Water.
- E. Water User desires to reduce the cost of treating SWP Water by substituting therefor Recharge Water to be pumped by Water User from the Tehachapi Basin.
- F. In accordance with the longstanding holdings of the California Supreme Court (*City of Los Angeles v. City of Glendale* (1943) 23 Cal. 2d 68, 76-77 and *City of Los Angeles v. City of San Fernando* (1975) 14 Cal. 3d 123, 257-261), and other holdings of the Courts, the District and the Water User have the right to recharge, store and withdraw SWP Water from the Tehachapi Basin.
- G. Except as expressly provided herein, this agreement fully supersedes and replaces any and all prior Term M&I Agreements between the District and the Water User.

AGREEMENT

Now, therefore, it is agreed between the parties, in consideration of the terms hereof, and the lower rates for M&I water taken pursuant to a Term M&I Agreement, as follows:

1. Incorporation of Recitals and Rules and Regulations. The recitals above are incorporated into this agreement. This agreement is subject to all the provisions of the District's Rules and Regulations, as may be amended from time to time, except to the extent expressly inconsistent with a material term of this agreement, in which event this agreement shall control.

2. Water User's Annual SWP M&I Demand. During the term of this agreement Water User agrees to purchase from the District and the District agrees to sell to Water User (i) all water used,

sold or distributed by Water User for M&I use, as defined in the District's Rules and Regulations, over and above all quantities of "Local Water Available To Water User" as that quoted term is defined and limited in Section 4 hereof, (hereinafter referred to as the "**Net SWP M&I Demand**") subject to the limitations set forth in Section 2 (a-d) below, and (ii) sufficient water to establish and maintain Water User's BWRA minimum goal as provided in Section 5 below.

(a) Water to Meet Growth Rate Supply. The District shall annually provide the Water User with SWP Water sufficient to meet that portion of Water User's Net SWP M&I Demand identified as Water User's "**Maximum SWP Allocation**" on Exhibit A, which is based on Water User's projected cumulative annual growth rate of one and one-quarter percent (1.25%) through year 2040. The starting or base year for this calculation is 2020, in which Water User's total consumption was 2,053.67 AF (1846.67 AF local water + 206.00 AF SWP Water).

(b) Reduction in Growth Rate. So long as the rolling average of the District's SWP Water Table 1 Allocation for the preceding 10 years meets or exceeds forty-one percent (41%) of its 19,300 AF contracted supply, the District shall annually supply Water User with SWP Water based on a growth rate of one and one-quarter percent (1.25%). In the event the 10-year rolling average for the District's SWP Water Table 1 Allocation falls below forty-one percent (41%), the SWP Water available to Water User for each successive year shall be reduced to a one percent (1.00%) growth rate, until the 10-year rolling average increases to forty-one percent (41%) or more, at which time the annual growth rate will return to one and one-quarter percent (1.25%). A table showing the District's historic SWP Water Table 1 Allocation is attached as Exhibit B.

(c) Shortfall Replenishment.

(i) To the extent that the actual volume of SWP Water delivered by the District to Water User in a given calendar year is less than the volume of SWP water requested in Water User's November 1 written estimate in Section 6 ("**Shortfall Volume**") the District shall make up the Shortfall Volume to Water User in one or more subsequent years when sufficient water is available, provided that Water User's current year request shall be met first. Once the Water User's current year request is met, any accrued Shortfall Volumes shall be deposited directly into the Water User's Banked Water Reserve Account ("**BWRA**") (toward satisfying the minimum BWRA Goal defined in Section 5 below) until that requirement is fully met, and thereafter shall be deposited into the Water User's voluntary BWRA, subject to the BWRA Cap set forth in Section 5(b) below. Notwithstanding the foregoing, the District shall have no obligation to make up any accrued Shortfall Volumes beyond the Water User's BWRA Cap.

(ii) The District's obligation to deliver the accrued Shortfall Volumes pursuant to this Section 2(c) shall take precedence over the District's delivery of SWP Water for voluntary groundwater banking and discretionary recharge. In the event the District lacks sufficient available SWP Water to concurrently make up the accrued Shortfall Volumes to Water User and other customers holding Term M&I Agreements, the SWP Water available to meet the District's accrued Shortfall Volumes shall be allocated among the Water User and its other Term M&I customers on a pro-rata basis in proportion to their respective accrued Shortfall Volumes.

3. Water Rates. Water User shall pay the District for the water purchased hereunder at the Term M&I rate for the Water User's pressure zone, as such rates and zones are established and modified from time to time by the District's Board of Directors.

4. **“Local Water Available To Water User”** shall include only the following:

(a) As to water intended to be produced, extracted or diverted from Tehachapi Basin or its watershed, as such terms are defined in the judgment, as amended, in *Tehachapi-Cummings County Water District v. City of Tehachapi, a municipal corporation, et al.*, Kern County Superior Court No. 97210 (“**Tehachapi Basin**”), Local Water Available To Water User shall include only the following annual quantities and other rights of which Water User owns or leases, and as such annual quantities and other rights are or shall have been reduced, and thereafter adjusted from time to time, by the Court in allocating the allowable annual production from the Basin, or otherwise reduced in any annual period pursuant to any provisions of the judgment as amended from time to time: (i) Such annual quantity or other right originally adjudicated to said Water User in the judgment as so reduced and adjusted, and (ii) such annual quantity or other right originally adjudicated to another party in the judgment but subsequently acquired or leased by Water User, as so reduced and adjusted, provided that such transfer complied with all conditions and procedures set forth in the judgment.

(b) As to water intended to be produced or diverted from any basin other than the Tehachapi Basin, any native water which Water User has a right to divert or pump.

(c) Any SWP Water acquired by the Water User from any entity other than the District and available to Water User in the Tehachapi Basin.

5. **Banked Water Reserve Account.**

(a) **Minimum BWRA Goal.** In addition to its Maximum SWP Allocation, Water User shall purchase from the District and direct the District to spread and store in the Tehachapi Basin for Water User’s account sufficient water to establish and thereafter maintain a BWRA with a minimum goal equal to five times the annual average of Water User’s SWP Water demand over the previous five calendar years as set forth in the table entitled “Banked Water Reserve Account Calculation” attached hereto as Exhibit C which the District shall update annually by February 1 (“**BWRA Table**”). Water User shall purchase each year, at a minimum and if made available by District, sufficient water to achieve its BWRA minimum goal as set forth in the BWRA Table by December 31, 2030. Water User shall not be required in any one year to purchase for its BWRA more than twice its Net SWP Water Demand for such year.

(b) **Voluntary BWRA Water.** Provided Water User has met its BWRA minimum goal, Water User may purchase from the District, and direct the District to spread and store in the Tehachapi Basin for Water User’s BWRA, additional water, which, when added to Water User’s BWRA minimum goal, shall not exceed a combined total of 2,500 AF or the BWRA minimum goal in Section 5(a), whichever is greater (“**BWRA Cap**”).

(c) Subject to the BWRA Cap, Watermaster approval and other legal requirements, Water User may spread and store water for its BWRA in its own recharge facilities in whole or in part in lieu of directing the District to spread its BWRA water in District spreading facilities.

(d) In years when the District adopts a water shortage ordinance limiting the District from supplying some or all of the Maximum SWP Allocation requested by the Water User, Water User shall pump and draw from its BWRA and the District shall debit the Water User’s BWRA to cover the shortfall.

(e) **Accounting Method.** Water User’s extractions from its BWRA shall first be accounted for on a First-In, First-Out (“**FIFO**”) basis. Consequently, water stored in the Water User’s BWRA as of December 31, 2025, is 1,869 AF, which shall be deemed to be extracted, used, or transferred first.

(f) **Termination/District Right of First Refusal.** Upon termination of this agreement, Water User shall own the water in its BWRA and Water User may continue to store, or may pump, or may

sell or transfer the water to another water user in the Tehachapi Basin, provided that in the event of sale or transfer the District shall have the first right of refusal to purchase BWRA water stored after December 31, 2025, at the Water User's then current Term M&I rate. Water held in the Water User's BWRA as of December 31, 2025, in the amount of 1,869.00 AF shall be subject to a Right of First Refusal in favor of the District, and shall be subject to FIFO accounting.

(g) The District's obligation to supply water under this Section 5 is conditioned upon the availability of sufficient SWP Water to enable the District to meet all current year reasonable demands of its customers. In the event the District has insufficient SWP Water available to meet the full reasonable demands of its customers in any year, the District's available SWP Water in that year shall be allocated in accordance with the District's Rules and Regulations, water priority ordinance or other policies adopted by the District from time to time.

(h) Extractions in Excess of Maximum SWP Allocation. If the Water User extracts SWP Water in excess of its Maximum SWP Allocation five or more years in any 10-year period, then in addition to any other remedies available, the District shall have the right to terminate this Agreement on 90-days written notice.

6. Water User Estimate. Prior to each November 1 during the term of this agreement, Water User shall furnish to District a written estimate of its Net SWP M&I Demand for the next calendar year, which shall not exceed the Maximum SWP Allocation for that year. This estimate is for planning purposes and shall not (a) constitute a contractual obligation to take the estimated quantity or (b) alter the provisions of Section 2 above. Nothing herein shall limit the right of the District to require other and further reports reasonably necessary to implement this agreement.

7. Minimum Purchase. Notwithstanding any other provision of this agreement, Water User agrees to pay District for a minimum quantity the greater of (i) its scheduled BWRA input or (ii) if its BWRA is full, five (5) acre-feet per each annual period or any partial annual period under this agreement, unless failure of Water User to receive that quantity is due to inability of District to deliver all or a portion of such supply. The General Manager shall have the discretion to decrease the minimum quantity.

8. Water User Breach. If the Water User should at any time substantially fail to comply with this agreement, and District on account thereof terminates this agreement, or should Water User terminate the same other than for a reason hereinabove set forth, Water User shall be obligated to forthwith pay to District, in addition to any amounts otherwise owing to District, the difference between the amount of money which Water User was obligated to pay to District for water sold and delivered pursuant to this agreement and the amount of money which Water User would have been obligated to pay to District had said water so sold and delivered been originally sold and delivered at the regular M&I rate during the calendar year of such termination or substantial failure to comply with this agreement. Nothing herein contained is intended to foreclose the District from seeking such damages as it may sustain from any breach, substantial or not, of this agreement by Water User whether or not such breach leads to District's termination of this agreement.

9. Annual Period. The annual period under this agreement shall be the calendar year, and if the first annual period is less than a full calendar year, "Local Water Available To Water User" for that short annual period shall be in such proportion as the number of days under this agreement in that calendar year bears to 365.

10. Recharge Water. In lieu of Water User taking direct delivery from District, Water User's Maximum SWP Allocation may be provided in accordance with this Section. For purposes of this Section 6, (i) "**Water User's Well[s]**" means those certain well[s] in the Tehachapi Basin as listed in Exhibit D hereto, as such list may be modified from time to time as a result of Water User constructing or acquiring new wells and/or abandonment of then existing wells, provided, however, Water User shall obtain the District's prior written consent to change Water User's extraction wells which shall not be withheld unless the District reasonably determines that such new well or wells will substantially interfere with another well

or wells in the vicinity.

(a) Substitution of Recharge Water. Water User may pump Recharge Water in lieu of taking surface delivery of SWP Water at the price and subject to the terms and provisions hereinafter set forth.

(b) Place of Delivery. Any Recharge Water supplied by the District in lieu of surface deliveries of SWP Water shall be delivered underground in the Tehachapi Basin at the depth of groundwater as it fluctuates in Water User's Well[s]. Water User shall be responsible for all costs, liability and expense of pumping Recharge Water to the surface and transporting same for use within Water User's boundaries.

(c) Place of Use. Water User shall use Recharge Water to provide retail water to its customers within Water User's service area and within the District's boundaries and for no other purpose.

(d) Scheduling. On or before November 1 of each year for the balance of the term of the agreement, Water User shall notify the District in writing of the proportion of its Net SWP M&I Demand for the following calendar year it wishes to be met with Recharge Water in lieu of surface deliveries of SWP Water. On or before February 28th of each year, the District shall notify Water User of the estimated amount of Recharge Water which is available to be substituted for surface deliveries of SWP Water in such calendar year. Periodically thereafter, the District shall provide updated estimates as SWP delivery allocations are revised.

(e) Metering. The Water User shall install a meter of manufacture and model approved by the District at each of Water User's Well[s] at Water User's expense. The meter shall be maintained in good working order and regularly calibrated so as to comply with the standards of the American Water Works Association per their manuals M6, M33 and M36. Water User shall provide the District with proof satisfactory to the District that Water User has obtained the right to exclusively operate Water User's Well[s] for the purposes set forth herein and that the owner of Water User's Well[s] and surrounding lands has conveyed to the District in writing the right to enter such lands to take meter readings at Water User's Well[s].

(f) Reduction or Termination of Substitute Deliveries. In the event a third party demonstrates pumping of Recharge Water by Water User as herein provided is causing significant impacts on the third party's production of native groundwater from its existing well or wells, the Water User shall confer with such third party and mitigate such impacts to a level acceptable to such third party, failing which the District in its sole discretion may determine the rate of pumping and quantities of Recharge Water which Water User may extract in lieu of surface deliveries of SWP Water provided, however, the District shall provide Water User with fifteen (15) days prior written notice of any reduction or termination of allowed pumping of Recharge Water hereunder.

(g) Price. For Recharge Water delivered and metered by the District hereunder, except for water recharged through facilities owned and operated by the Water User, Water User shall pay the District, in addition to the Term M&I rate, a surcharge determined by the District from time to time to recapture the construction, operation and maintenance costs of the District's recharge facilities.

(h) Spreading Loss Factor. For all Recharge Water spread, whether in the District's or the Water User's spreading facilities, a spreading loss factor of 6% will be imposed pursuant to Part B, Section 1 of the District's Rules and Regulations for losses on account of evaporation, phreatophyte consumption and any other losses incurred in the transportation and spreading of Recharge Water.

(i) Disclaimer. Water User acknowledges that the District's right to Recharge Water within the Tehachapi Basin has not been fully determined but is a matter within the continuing jurisdiction of the Kern County Superior Court in Case No. 97210. Water User acknowledges that the Judgment in such case generally prohibits the exportation outside of the particular groundwater basin of any native groundwater extracted from such basin. Water User further acknowledges that paragraph 5 of the Judgment

in Case Nos. 97210 and 97211 provides, in part:

“Nothing in this Judgment contained shall be deemed a determination whether the Plaintiff or any other party will or will not have any rights in any return flow from water subsequently imported, which matter shall be within the continuing jurisdiction of the Court.”

While the District has claimed and continues to claim a right to return flow from the use of imported waters in the Cummings, Brite and Tehachapi Basins, including the right to extract and export outside of such basins imported SWP water intentionally percolated by the District in District recharge areas for storage in such basins and subsequent extraction and beneficial use, all consistent with rulings from the California Appellate Courts, the District makes no warranties or representations to Water User as to the validity of the District's position on these issues. Water User has sought its own legal advice concerning the validity of the District's claim to Recharge Water and Water User's right to export Recharge Water for use on lands which do not overlie the groundwater basin from which the Recharge Water will be pumped and has relied upon its own independent legal advice in entering into this agreement and acquiring rights in and improving and repairing Water User's Well[s]. Accordingly, Water User acknowledges that the District shall have no liability to Water User in the event that it is ultimately determined in Case Nos. 97209, 97210, and 97211, or any other proceeding, that the District does not have the right to sell Recharge Water in the Cummings, Brite, and Tehachapi Basins, or Water User may not export Recharge Water for use outside of the basin or basins in which the District had spread Recharge Water.

11. Term. This agreement shall have a term ending December 31, 2035; provided, however, that each year on the anniversary date of this agreement, this agreement shall extend one additional year, unless, at least 90 days prior to such anniversary date, either party provides notice to the other that it will not consent to such further extension(s) of this agreement; and further, provided, however, this agreement shall terminate upon termination of the KCWA Water Supply Contracts which are presently extended to December 31, 2085.

WHEREFORE, the parties have executed this agreement as of the Effective Date.

**TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT**

CITY OF TEHACHAPI

By: _____
Robert W. Schultz, President

By: _____
Joan Pogon-Cord, Mayor

By: _____
Catherine L. Adams, Secretary

By: _____
Ashley Whitmore, City Clerk

“District”

“Water User”

EXHIBIT "A"
CITY OF TEHACHAPI TERM AGREEMENT
MAXIMUM AVAILABLE WATER SUPPLY

Date: 09/29/26

Rev No: 09

By: TPN

CITY OF TEHACHAPI ALLOCATION SCHEDULE										
YEAR	10-year Average SWP Allocation ⁷	Adjustable % Compound Growth ²	2020 Native Pumping Allocation	Maximum SWP Allocation ³	Total Combined Supply ⁴	Incremental Allocation Increase	Cumulative Allocation Increase	Post 2020 Acquired Native Pumping Allocation ⁵	Allowable Native Pumping Allocation ⁶	Maximum Available Supply
Baseline ¹					2053					
2020			1846.667	206	2053	0	0	0.000	1846.667	2053
2021	48.0%	1.25%	1846.667	232	2078	26	26	0.000	1846.667	2078
2022	40.5%	1.00%	1846.667	252	2099	21	46	62.667	1909.334	2162
2023	34.5%	1.00%	1846.667	273	2120	21	67	50.000	1959.334	2233
2024	41.0%	1.25%	1846.667	300	2147	27	94	15.333	1974.667	2275
2025	47.5%	1.25%	1846.667	327	2173	27	121	21.333	1996.000	2323
2026	46.0%	1.25%	1846.667	354	2201	27	148	0.000	1996.000	2350
2027	TBD	1.25%	1846.667	381	2228	28	175		1996.000	2377
2028	TBD	1.25%	1846.667	409	2256	28	203		1996.000	2405
2029	TBD	1.25%	1846.667	437	2284	28	231		1996.000	2433
2030	TBD	1.25%	1846.667	466	2313	29	260		1996.000	2462
2031	TBD	1.25%	1846.667	495	2342	29	289		1996.000	2491
2032	TBD	1.25%	1846.667	524	2371	29	318		1996.000	2520
2033	TBD	1.25%	1846.667	554	2401	30	348		1996.000	2550
2034	TBD	1.25%	1846.667	584	2431	30	378		1996.000	2580
2035	TBD	1.25%	1846.667	614	2461	30	408		1996.000	2610
2036	TBD	1.25%	1846.667	645	2492	31	439		1996.000	2641
2037	TBD	1.25%	1846.667	676	2523	31	470		1996.000	2672
2038	TBD	1.25%	1846.667	708	2554	32	502		1996.000	2704
2039	TBD	1.25%	1846.667	740	2586	32	534		1996.000	2736
2040	TBD	1.25%	1846.667	772	2619	32	566		1996.000	2768

Notes:

- ¹ Baseline year = 2020 in accordance with 2020 Annual Report and RUWMP (1846.667 APA + 206 Metered Surface Use)
- ² Compound growth rate = 1.25% if 10-yr avg. allocation $\geq 41\%$ and 1.00% if $< 41\%$. See Exhibit "B" for calculations.
- ³ TCCWD commits to Maximum, Surface Delivery Allocation for subject year (allocation, not right, no carryover)
- ⁴ 2020 Allowable Pumping Allocation plus Maximum SWP Allocation
- ⁵ Additional Base Water Rights reported in Annual Watermaster Report for subject year (excluding leased rights and carryover)
- ⁶ Base Water Rights per Annual Watermaster Report (through March 1 of subject year) 2026 and following to be revised to include additional BRW procured and reported.
- ⁷ 10-year average to be recalculated annually per Exhibit B.

EXHIBIT "B"
CITY OF TEHACHAPI TERM AGREEMENT
HISTORICAL SWP TABLE A ALLOCATIONS

Rev No: 09

09/29/26

Year	M&I	Ag	Combined
1967	100%	100%	
1968	100%	93%	
1969	100%	100%	
1970	100%	100%	
1971	100%	100%	
1972	100%	100%	
1973	100%	100%	
1974	100%	100%	
1975	100%	100%	
1976	100%	100%	
1977	90%	40%	
1978	100%	100%	
1979	100%	100%	
1980	100%	100%	
1981	100%	100%	
1982	100%	100%	
1983	100%	100%	
1984	100%	100%	
1985	100%	100%	
1986	100%	100%	
1987	100%	100%	
1988	100%	100%	
1989	100%	100%	
1990	100%	50%	
1991	30%	0%	
1992	45%	45%	
1993	100%	100%	
1994	50%	50%	
1995	100%	100%	
1996			100%
1997			100%
1998			100%

Year	M&I	Ag	Combined	10-yr Average
1999			100%	
2000			90%	
2001			39%	
2002			70%	
2003			90%	
2004			65%	
2005			90%	
2006			100%	84.4%
2007			60%	84.4%
2008			35%	80.4%
2009			40%	73.9%
2010			50%	67.9%
2011			80%	63.9%
2012			65%	68.0%
2013			35%	67.5%
2014			5%	62.0%
2015			20%	56.0%
2016			60%	49.0%
2017			85%	45.0%
2018			35%	47.5%
2019			75%	47.5%
2020			20%	51.0%
2021			5%	48.0%
2022			5%	40.5%
2023			100%	34.5%
2024			40%	41.0%
2025			50%	47.5%
2026			45%	46.0%
2027				
2028				
2029				
2030				

EXHIBIT "C"
CITY OF TEHACHAPI - TERM AGREEMENT
BANKED WATER RESERVE ACCOUNT SUMMARY

Banked Water Reserve Account Calculation (acre-feet)

Line No.		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Prev. 5 Year Total	Prev. 5 Year Average Annual
1	City of Tehachapi												
2	Water demand Pumped	1,833	1,900	1,941	1,815	1,948	2,035	1,835	1,710	1,990	1,816	9,387	1,877
3	Owned & Leased APA w/carryover	1,995	1,945	1,860	1,847	1,879	1,993	2,352	2,983	3,614	3,533	14,475	2,895
4	Difference	(162)	(45)	81	(32)	69	42	(517)	(1,272)	(1,625)	(1,716)	(5,088)	(1,018)
5	Overextraction	0	0	81	0	69	42	0	0	0	0	42	8
6	TCCWD Metered Delivery	203	241	220	194	206	235	234	106	259	262	1,096	219
7	Water demand Surface	203	241	301	194	275	277	234	106	259	262	1,138	228
8	Spreading Loss (6%)	12	14	18	12	16	17	14	6	16	16	68	14
9	Total Recharge Req'mt.	215	255	319	206	291	293	248	113	275	278	1,207	241

Notes:

- 1 Line 1 - Term M&I Customer
- 2 Line 2 - Water extracted by customer and reported to TCCWD (see Figure 3 of Annual Watermaster Report)
- 3 Line 3 - Customer owned Tehachapi Basin APA w/ previous carryover available per Fig. 3 Annual Watermaster Report
- 4 Line 3 - Total APA for current year including owned and leased per memo from John Martin dated June 2, 2010
- 5 Line 4 - Amount customer extracted greater or (less) than current year rights w/carryover available
- 6 Line 5 Overextraction (if no overextraction, then zero)
- 7 Line 6 - Surface water provided and metered by TCCWD per Water Detail Report
- 8 Line 7 - Overextraction (Line 5) plus TCCWD Delivery (Line 6)- Invoiced at Recharge Rate (rate includes spreading loss and admin.)
- 9 Line 8 - 6% spreading loss for amount required in Line 7.
- 10 Line 9 - Surface (wet) water to be spread and recharged by TCCWD on customer's behalf
- 11 Current Term M&I Agreement expires on 12/31/26. Four years remaining to achieve entire BWRA Requirement

EXHIBIT "C"
CITY OF TEHACHAPI - TERM AGREEMENT
BANKED WATER RESERVE ACCOUNT SUMMARY

CITY OF TEHACHAPI - BANKED WATER RESERVE ACCOUNT SUMMARY

Date	Begin Balance	Transaction	Trans. Amount	End Balance	BWRA Req't	Surplus (Deficit)
01/01/17	1,295	Begin Year		1,295	1,945	(650)
01/01/18	1,295	Begin Year		1,295	1,822	(527)
12/31/18	1,295	Overextraction	(81)	1,214		
01/01/19	1,214	Begin Year		1,214	1,432	(218)
12/31/19	1,214	UPRR Credit	107	1,321		
01/01/20	1,321	Begin Year		1,321	1,090	231
04/20/20	1,321	City Purchase	55	1,376		
12/31/20	1,376	Overextraction	(69)	1,307		
01/01/21	1,307	Begin Year		1,307	1,214	93
06/01/21	1,307	City Purchase	105	1,412		
12/31/21	1,412	Overextraction	(42)	1,370		
01/01/22	1,370	Begin Year		1,370	1,288	82
06/01/24	1,370	Begin Year	500	1,870	1,358	512
01/01/24	1,870	Begin Year ¹	-	1,870	1,151	719
1/1/2025	1,870	Begin Year ²	-	1,870	1,220	650
1/1/2026	1,870	Begin Year	-		1,207	663

¹ Pending Board Approval, Max. 500 AF Per 2024 City Request

² Pending Board Approval, Max. 200 AF Per 2025 City Request



ATTACHMENT "B"

COUNCIL REPORTS

APPROVED

DEPARTMENT HEAD: *DM*

CITY MANAGER: _____

MEETING DATE: OCTOBER 19, 2026 AGENDA SECTION: DEVELOPMENT SERVICES

TO: HONORABLE MAYOR POGON-CORD AND COUNCIL MEMBERS

FROM: DON MARSH, DEVELOPMENT SERVICES DIRECTOR

DATE: OCTOBER 8, 2026

SUBJECT: APPROVAL OF THE TERM MUNICIPAL AND INDUSTRIAL (M&I) AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

BACKGROUND

The City of Tehachapi purchases imported State Water Project (SWP) water from the Tehachapi-Cummings County Water District (TCCWD) to augment native groundwater supplies. Water is purchased from TCCWD as irrigation water supplied directly from the TCCWD water network or as recharge water, banked for future use by the City as domestic water supplies. These water purchases are currently governed under the "2017 Term M&I Agreement" (see attached).

NEW AGREEMENT

A new 2026 Term M&I Agreement was developed cooperatively between the City and TCCWD as part of the legal settlement recently finalized. The new M&I agreement includes the following significant changes:

- Establishes "recharge water to be used in the same year" as the same water priority as direct delivery water.
- Added a defined amount of annual SWP water available from TCCWD with a specified allowable growth rate.
- Includes provisions for TCCWD to defer delivery of SWP water on an annual basis and "make-up" water delivery in a later year.
- Establishes "Voluntary Banked Water Reserve Account" water which establishes terms for the purchase and banking of SWP water beyond the minimum required bank amounts.
- Establishes a right of first refusal for banked water transfers.

Length of the Term M&I agreement is for ten years and there is an auto-renewal clause in the agreement to extend an additional year each year of the agreement on the anniversary date.

FISCAL IMPACT

None

RECOMMENDATION

APPROVE THE 2026 TERM M&I AGREEMENT BETWEEN THE CITY OF TEHACHAPI AND TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
October 21, 2026

TOPIC: Approve 2nd Amendment to Funding Agreement for Delta Conveyance Project

ITEM FOR: Action

PURPOSE: Approve 2nd Amendment to Funding Agreement

IMPACT: Policy, Water Supply

SUBMITTED BY: Tom Neisler

EXECUTIVE SUMMARY

Approve amendment to previously approved amendment with Kern County Water Agency for Delta Conveyance Project.

BACKGROUND

At your March 26, 2025, RBM, the Board approved Resolution 04-25 that included a number of provisions of our contracts with KCWA for the Delta Conveyance Project (DCP). Staff Report is attached as Attachment “A” to this report. The resolution included approval of funding for calendar 2026 and 2027 for planning and pre-construction costs for DCP. These agreements have still not been executed by all parties and much conversation and negotiation between parties has occurred since then. A number of participants have revised their participation levels for varying reasons. None of the revisions in the funding agreement that have been included since this Board’s approval in March 2025 are significant to TCCWD. Our cost participation remains identical to that previously approved. Our participation percentage remains 100%. Thus, this amendment has no significant impact on TCCWD.

FISCAL IMPACT

No change from original approval. \$570,977 in 2026 and \$856,466 in 2027 for an additional total commitment of \$1,427,443. These funds are in reserve in Fund 82 – State Payment Fund.

COMMITTEE RECOMMENDATION

None.

RECOMMENDED MOTION

“I move that the Board direct the General Manager to execute Amendment No. 2 to Contract between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project.”

ATTACHMENTS

A – Staff Report – Resolution 04-25, March 26, 2025

B – Amendment No. 2 to Contract between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project

ATTACHMENT "A"

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT
 REGULAR MEETING OF THE BOARD OF DIRECTORS
 March 26, 2025

TOPIC: Adopt Resolution 04-25, (1) CONSIDERING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE DELTA CONVEYANCE PROJECT (STATE CLEARINGHOUSE NO. 2020010227); (2) MAKING RESPONSIBLE AGENCY FINDINGS FOR THE DELTA CONVEYANCE PROJECT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT ("CEQA") AND STATE CEQA GUIDELINES SECTION 15096; (3) ADOPTING CEQA FINDINGS OF FACT FOR THE DELTA CONVEYANCE PROJECT UNDER STATE CEQA GUIDELINES SECTION 15091; (4) ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS UNDER STATE CEQA GUIDELINES SECTION 15093 FOR PRE-CONSTRUCTION WORK RELATED TO THE DELTA CONVEYANCE PROJECT; AND (5) AUTHORIZING THE BOARD PRESIDENT AND SECRETARY TO EXECUTE SECOND AMENDMENT TO FUNDING CONTRACT WITH KERN COUNTY WATER AGENCY SETTING FORTH THE DISTRICT'S CONTRIBUTION OF ADDITIONAL MONEY FOR THE DISTRICT'S SHARE OF THE DELTA CONVEYANCE PROJECT PLANNING AND PRE-CONSTRUCTION COSTS FOR CALENDAR YEARS 2026-2027 IN AN AMOUNT NOT TO EXCEED \$1,427,443.00

ITEM FOR: Action

PURPOSE: Approve funding for next two years of Delta Conveyance Project participation and various other aspects of DCP

IMPACT: Water Supply, Budget

SUBMITTED BY: Tom Neisler

EXECUTIVE SUMMARY

Approve Amendment No. 2 to Contract between KCWA and MU's for funding for next two years of Delta Conveyance Project planning and engineering. Approve various other aspects of DCP.

BACKGROUND

On November 17, 2020, the Board approved execution of the "CONTRACT BETWEEN KERN COUNTY WATER AGENCY AND ITS MEMBER UNITS FOR PRELIMINARY PLANNING AND DESIGN COSTS RELATED TO A POTENTIAL DELTA CONVEYANCE PROJECT" (Attachment A). This contract provided two years of funding for participation in the project (2021 and 2022). On April 20, 2022, the Board approved Amendment No. 1 to said contract (Attachment "B") this amendment provided funding for the next two years of the project (2023 and 2024). DWR was able to fund ongoing planning and pre-construction costs from funds they had available, without requesting additional funding, for 2025. Resolution 04-25 commits the District to provide funding for the next two years (2026 and 2027) to continue planning and pre-construction work. District funding provided and requested to date is shown in Attachment "D". These funding amounts are predicated on the District participating at 100% of our contracted Table 1 allocation of 19,300 AF. The total requested funding for 2026-2027 from all project participants is shown in Attachment "E". In addition to the funding commitment, Resolution 04-25 (Attachment "C") recognizes the Final EIR for the DCP and makes several required CEQA findings.

The DCP, and its predecessor iterations, have been the subject of a great deal of controversy and litigation. It is currently proceeding and participation by SWP contractors, and other interested parties is being finalized. Controversy and litigation have caused delays and impacted the estimated costs. The current project schedule is included as Attachment "F". The original projected date for completion of the project has slipped from 2037 to 2044. The current estimated cost is \$20 Billion in 2023 dollars, roughly similar to the original estimate of \$16 Billion in 2020 dollars. Substantial refinement of the project has been performed. The alignment has been adjusted, construction methods have been improved, and

various other value engineering has been incorporated. These refinements have contributed to stability in the estimated cost of the project. It should also be noted that the current cost estimate includes 35% contingency. This is a very conservative contingency estimate, and actual costs may be significantly less.

Our costs for participation are included in our Annual Statement of Charges from KCWA. These charges are paid from proceeds of the Ad-Valorem Tax that the District levies on property tax bills. The Board sets this rate annually in July. It is used solely to pay the Annual Statement of Charges for our participation in the SWP. The current rate is 0.053148% or \$53.15 per \$100,000 of assessed valuation. Over the course of time, participation in the DCP could result in an increase in the ad-valorem tax rate. However, the District has sufficient reserves in this fund intended to be used for DCP participation for several years. Currently, the District holds about \$3,100,00 unallocated in reserves in the restricted account (Fund 82) that includes our ad-valorem tax proceeds and pays our KCWA SWP Annual Statement of Charges. Board policy has been to maintain minimal increases in the ad-valorem tax rate. Rather than lowering the rate to minimize reserves, the Board has maintained relatively stable rates and allowed reserves to accrue to cover anticipated additional DCP costs. This approach avoids a “yo yo” effect to rates and softens the burden of the very significant DCP costs.

FISCAL IMPACT

\$570,977 in 2026 and \$856,466 in 2027. Costs will be included in our annual Statement of Charges from the Kern County Water Agency and be funded through the Ad-Valorem tax (fund 82), as discussed above.

RECOMMENDED MOTION

“I move that the Board adopt Resolution 04-25, (1) CONSIDERING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE DELTA CONVEYANCE PROJECT (STATE CLEARINGHOUSE NO. 2020010227); (2) MAKING RESPONSIBLE AGENCY FINDINGS FOR THE DELTA CONVEYANCE PROJECT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (“CEQA”) AND STATE CEQA GUIDELINES SECTION 15096; (3) ADOPTING CEQA FINDINGS OF FACT FOR THE DELTA CONVEYANCE PROJECT UNDER STATE CEQA GUIDELINES SECTION 15091; (4) ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS UNDER STATE CEQA GUIDELINES SECTION 15093 FOR PRE-CONSTRUCTION WORK RELATED TO THE DELTA CONVEYANCE PROJECT; AND (5) AUTHORIZING THE BOARD PRESIDENT AND SECRETARY TO EXECUTE SECOND AMENDMENT TO FUNDING CONTRACT WITH KERN COUNTY WATER AGENCY SETTING FORTH THE DISTRICT’S CONTRIBUTION OF ADDITIONAL MONEY FOR THE DISTRICT’S SHARE OF THE DELTA CONVEYANCE PROJECT PLANNING AND PRE-CONSTRUCTION COSTS FOR CALENDAR YEARS 2026-2027 IN AN AMOUNT NOT TO EXCEED \$1,427,443.00 .”

ATTACHMENTS

A - CONTRACT BETWEEN KERN COUNTY WATER AGENCY AND ITS MEMBER UNITS FOR PRELIMINARY PLANNING AND DESIGN COSTS RELATED TO A POTENTIAL DELTA CONVEYANCE PROJECT, dated December 14, 2020.

B – AMENDMENT NO. 1 CONTRACT BETWEEN KERN COUNTY WATER AGENCY AND ITS MEMBER UNITS FOR PRELIMINARY PLANNING AND DESIGN COSTS RELATED TO A POTENTIAL DELTA CONVEYANCE PROJECT

C – Resolution 04-25 - Approving funding for next two years of Delta Conveyance Project participation and various other aspects of DCP

D – Summary of TCCWD funding commitments to date for DCP (2021-2027)

E – Total DCP Planning Costs 2026-2027

F – DCP Schedule – March 2025

ATTACHMENT "A"

CONTRACT BETWEEN KERN COUNTY WATER AGENCY AND ITS MEMBER UNITS FOR PRELIMINARY PLANNING AND DESIGN COSTS RELATED TO A POTENTIAL DELTA CONVEYANCE PROJECT

This contract for preliminary planning and design costs related to a potential Delta conveyance project ("Agreement") is made by and between the KERN COUNTY WATER AGENCY ("Agency") on behalf of itself and its IMPROVEMENT DISTRICT NO. 4, and BELRIDGE WATER STORAGE DISTRICT, BERRENDA MESA WATER DISTRICT, BUENA VISTA WATER STORAGE DISTRICT, CAWELO WATER DISTRICT, LOST HILLS WATER DISTRICT, ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT, SEMITROPIC WATER STORAGE DISTRICT on behalf of itself and its BUTTONWILLOW IMPROVEMENT DISTRICT and POND-POSO IMPROVEMENT DISTRICT, TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT, TEJON-CASTAC WATER DISTRICT, WEST KERN WATER DISTRICT AND WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT (each, a "Member Unit" and collectively, "Member Units"). The Agency and the Member Units are referred to individually as a "Party" and collectively as "Parties."

WHEREAS, the Agency and the State of California, Department of Water Resources ("Department") have entered into and subsequently amended a long-term water supply contract providing that DWR shall supply certain quantities of water to the Agency, providing that the Agency shall make certain payments to the Department, and setting forth the terms and conditions of such supply and payments ("Master Contract"); and

WHEREAS, the Agency and each Member Unit have entered into and subsequently amended a water supply contract, (the "Member Unit's Contract") wherein the Agency agreed to deliver a portion of the annual water supply it receives from the Department under the Master

Contract, and in return the Member Unit agreed to annually pay the Agency a percentage of the Agency's obligation to pay the Department for that water; and

WHEREAS, the Bay Delta Conservation Plan ("BDCP") process was initiated in 2005-2006 and the Delta Habitat Conservation and Conveyance Program ("DHCCP") was initiated in 2008; and

WHEREAS, the BDCP and DHCCP resulted in development of a project known as the California WaterFix ("WaterFix"); and

WHEREAS, on July 21, 2017, the Department approved the California WaterFix project and in May 2019 rescinded its approval of that project; and

WHEREAS, certain State Water Project Contractors have entered into that certain Joint Powers Agreement dated May 14, 2018 forming the Delta Conveyance Design and Construction Authority ("DCA"); and

WHEREAS, the Department and DCA have entered into that certain Joint Powers Agreement ("JEPA"), dated May 22, 2018, as amended and restated, and as the same has or may be further amended, wherein the DCA will provide preliminary design, planning and other preconstruction activities to assist the environmental planning process for a potential Delta conveyance project under the supervision of the Department (the "Work" as defined in the JEPA); and

WHEREAS, the Department has advised the Agency that in order to improve the reliability of deliveries of State Water Project water to the Agency, it is in the interest of the Agency and the Department's other water supply contractors that the Department continue to evaluate a potential Delta conveyance project; and

WHEREAS, the Department does not presently have the funds needed to continue the environmental review, planning and design of a potential Delta conveyance project and has asked its water supply contractors to provide the Department with the funds; and

WHEREAS, in order for the Agency to be able to provide its share of the funding for the environmental review, planning and design of a potential Delta conveyance project, the Agency must receive funding from its member units.

NOW, THEREFORE, it is hereby mutually agreed by the Parties hereto as follows:

ARTICLE 1. DEFINITIONS. When used in this Agreement the “Funding Agreement” shall mean the “Agreement for the Advance or Contribution of Money to the Department of Water Resources by the Kern County Water Agency for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project,” attached hereto as Exhibit A.

ARTICLE 2. EFFECT OF AGREEMENT. Nothing in this Agreement supersedes previous funding agreements or the obligations under those funding agreements unless specifically addressed in this Agreement. Neither this Agreement nor the Funding Agreement binds or commits any Member Unit or the Agency to approve or participate in any Delta conveyance project or pay for any costs or charges of any Delta conveyance project.

ARTICLE 3. MEMBER UNIT PAYMENTS AND REIMBURSEMENT. Each Member Unit hereby agrees to pay to the Agency its pro rata share of each Pay-Go Charge included in the Agency’s annual Statement of Charges which the Agency has agreed to pay to the Department pursuant to the Funding Agreement. Each Member Unit’s pro rata share of these costs shall be equal to the percentage, and shall in no event exceed the annual or total amounts, for that Member Unit set forth in the attached Exhibit B. To the extent the Agency is credited or reimbursed pursuant to the Funding Agreement, such credit or reimbursement shall be apportioned among the Member Units according to the Member Units’ percentages set forth in Exhibit B, unless any Member Unit has

not paid its pro rata share shown on Exhibit B, in which case the credit or reimbursement will be made pro rata according to actual payments made. All billings, payments and adjustments for these costs shall be in accordance with each Member Unit's Contract. The obligation of each Member Unit to pay such charges shall be a several obligation of that Member Unit, and in the event of default by any Member Unit on its share no other Member Unit shall be responsible for payment of that share.

ARTICLE 4. MEMBER UNIT'S FINANCIAL OBLIGATIONS. Each Member Unit's financial obligations pursuant to this Agreement shall cease immediately upon the termination of the Agency's financial obligations under the Funding Agreement. Nothing in this Agreement shall preclude any Member Unit from negotiating an adjustment of its participation percentage among Member Units. The Agency will work cooperatively to facilitate among willing Member Units any Member Unit's request for and resulting adjustment of its participation percentage as currently set forth in Exhibit B, recognizing no Member Unit can be required to adjust its participation percentage in response to any such request.

ARTICLE 5. AGENCY REPORTING. The Agency shall provide the Member Units with monthly updates on the environmental review, planning and design of a potential Delta conveyance project, including budget and progress updates if available. Prior to the Agency's submittal of a letter and Board resolution to the Department to provide additional contributed funds beyond the 2021 and 2022 Statement of Charges pursuant to Section 5 of the Funding Agreement, the Agency shall review with the Member Units the progress of a potential Delta conveyance project, including its environmental review, planning and design, to determine whether additional funds will be contributed. A Member Unit will have no obligation to contribute any additional funds.

ARTICLE 6. EFFECTIVE DATE. This Agreement shall become effective on the date the last Party hereto signs the Agreement as set forth on the signature page(s) hereto (“Effective Date”).

ARTICLE 7. INVOICES, NOTICES OR OTHER COMMUNICATIONS. All invoices, notices, or other communications required under this Agreement shall be in writing, and shall be deemed to have been duly given as follows: (i) on the date served personally on the Party to whom notice is to be given; (ii) on the date sent by electronic mail when the Party to whom notice is to be given confirms receipt; or (iii) on the third day after mailing, if mailed to the Party to whom invoice, notice or other communication is directed, by first-class United States mail, postage prepaid, and properly addressed to the designated representative(s) of the Party set forth below.

Kern County Water Agency
Attn: General Manager
3200 Rio Mirada Drive
Bakersfield, California 93308

Belridge Water Storage District
Attn: General Manager
21908 Seventh Standard Road
McKittrick, California 93251

Berrenda Mesa Water District
Attn: General Manager
14823 Hwy 33
Lost Hills, California 93249-9734

Buena Vista Water Storage District
Attn: Engineer-Manager
P.O. Box 756
Buttonwillow, California 93206

Cawelo Water District
Attn: General Manager
17207 Industrial Farm Road
Bakersfield, California 93308

Lost Hills Water District
Attn: General Manager
1405 Commercial Way, Suite 125
Bakersfield, California 93309

Improvement District No. 4
Attn: ID4 Manager
3200 Rio Mirada Drive
Bakersfield, California 93308

Rosedale-Rio Bravo Water Storage District
Attn: General Manager
P.O. Box 20820
Bakersfield, California 93390

Semitropic Water Storage District
Attn: General Manager
1101 Central Avenue
Wasco, California 93280

Tehachapi-Cummings County Water District
Attn: General Manager
P.O. Box 326
Tehachapi, California 93581

West Kern Water District
Attn: General Manager
800 Kern Street
Taft, California 93268

Wheeler Ridge-Maricopa Water Storage District
Attn: Engineer-Manager
12109 Highway 166
Bakersfield, California 93313

ARTICLE 8. NO CHANGES IN THE MEMBER UNIT'S CONTRACT. This Agreement does not amend, abridge or modify any Member Unit's Contract in any way.

ARTICLE 9. AMENDMENTS. This Agreement may be amended or modified only by a subsequent written agreement approved and executed by the Member Units and the Agency.

ARTICLE 10. INTEGRATION. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this Agreement among the Parties concerning the subject matter, and supersedes all prior negotiations, representations or agreement, either oral or written, that may be related to the subject matter of this Agreement.

ARTICLE 11. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one and the same agreement. Each signing Party shall have received a copy of the signature page signed by every other Party.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date(s) set forth below.

KERN COUNTY WATER AGENCY
on behalf of itself and its IMPROVEMENT
DISTRICT NO. 4

Thomas D. McCarthy, General Manager

Date

BELRIDGE WATER STORAGE DISTRICT



Mark Gilkey, General Manager

12/14/2020
Date

Mark Gilkey

Mark Gilkey, General Manager
12/14/2020

Date

David Ansolabehere, General Manager

Date _____

Eric Averett, General Manager

Date _____

Tom Neisler, General Manager

Date _____

Tim Ashlock, Engineer-Manager

Date

Mark Gilkey, General Manager
12/14/2020
Date

Jason Gianquinto, General Manager

Date _____

Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

Eric Averett, General Manager

Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

Tom Neisler, General Manager

Date

BUENA VISTA WATER STORAGE DISTRICT



Tim Ashlock, Engineer-Manager

12-14-2020

Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

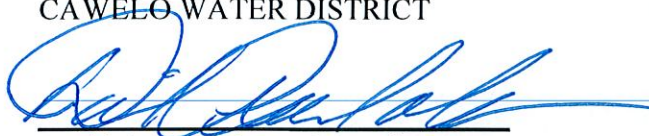
Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

Date

CAWELO WATER DISTRICT


David Ansolabehere, General Manager

14 Dec. 2020
Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

Eric Averett, General Manager

Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

Tom Neisler, General Manager

Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT



Eric Averett, General Manager

12/13/2020
Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

Tom Neisler, General Manager

Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

Eric Averett, General Manager

Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

Tom Neisler, General Manager

Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

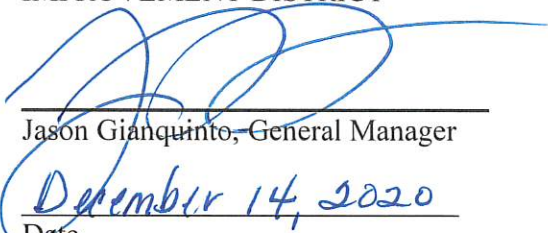
Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT



Jason Gianquinto, General Manager

December 14, 2020

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

Eric Averett, General Manager

Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT



Tom Neisler, General Manager

12/14/20

Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

Eric Averett, General Manager

Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

Tom Neisler, General Manager

Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

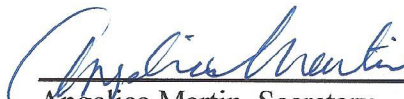
Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEJON-CASTAC WATER DISTRICT


Angelica Martin, Secretary

Date

12/11/2020

WEST KERN WATER DISTRICT



Greg Hammett, General Manager

12-11-2020
Date

WHEELER RIDGE-MARICOPA WATER
STORAGE DISTRICT

Sheridan Nicholas, Engineer-Manager

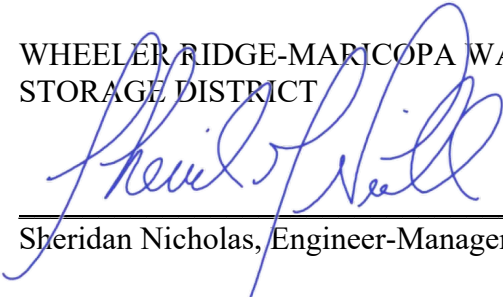
Date

WEST KERN WATER DISTRICT

Greg Hammett, General Manager

Date

WHEELER RIDGE-MARICOPA WATER
STORAGE DISTRICT



Sheridan Nicholas, Engineer-Manager

December 15, 2020

Date

**State of California
California Natural Resources Agency
DEPARTMENT OF WATER RESOURCES**

**AGREEMENT FOR
THE ADVANCE OR CONTRIBUTION OF MONEY TO
THE DEPARTMENT OF WATER RESOURCES
BY
THE KERN COUNTY WATER AGENCY**

**FOR PRELIMINARY PLANNING AND DESIGN COSTS RELATED TO A
POTENTIAL DELTA CONVEYANCE PROJECT**

THIS AGREEMENT is made, pursuant to the provisions of all applicable laws of the State of California, between the State of California, acting by and through its Department of Water Resources (“Department” or “DWR”), and the Kern County Water Agency (“Contractor”), each herein referred to individually as a “Party” and collectively as the “Parties”.

Recitals

WHEREAS, DWR and the Contractor listed on the signature page hereto have entered into and subsequently amended a long-term water supply contract, herein referred to as a “Water Supply Contract,” providing that DWR will supply certain quantities of water to the Contractor, providing that Contractor shall make certain payments to DWR, and setting forth the terms and conditions of such supply and such payments; and

WHEREAS, the Bay Delta Conservation Plan (“BDCP”) process was initiated in 2005-2006 and the Delta Habitat Conservation and Conveyance Program (“DHCCP”) was initiated in 2008; and

WHEREAS, the Bay Delta Conservation Plan (“BDCP”) and (“DHCCP”) resulted in development of a project known as the California WaterFix (“WaterFix”); and

WHEREAS, on July 21, 2017, DWR approved the California WaterFix project; and

WHEREAS, certain Contractors have entered into that certain Joint Powers Agreement dated May 14, 2018 forming the Delta Conveyance Design and Construction Authority (“DCA”); and

WHEREAS, DWR and DCA have entered into that certain Joint Powers Agreement (“JEPA”), dated May 22, 2018, as amended and restated, and as the same has or may be further amended, wherein the DCA will provide preliminary design, planning and other preconstruction activities to

assist the environmental planning process for a potential Delta conveyance project under the supervision of DWR (the “Work” as defined in the JEPA); and

WHEREAS, a copy of the resolution of the Board of Directors of Contractor authorizing its General Manager to execute this Agreement is attached hereto as Exhibit A; and

WHEREAS, a State Agency may advance or contribute funds to DWR for SWP purposes pursuant to Water Code section 11135 and (ii) DWR may accept such advanced or contributed funds and thereafter use such funds in accordance with the terms of this Agreement pursuant to Water Code section 11141; and

WHEREAS, DWR and Contractor desire to enter into this funding Agreement to provide for the contribution or advance of funds to DWR and authorize the use of the contributed funds for purposes related to environmental review, planning and design of a Delta conveyance project as described below.

AGREEMENT

NOW, THEREFORE, it is mutually agreed by the Parties as follows:

1. When used in this Agreement, terms defined in the Water Supply Contract (as defined herein) shall be defined by reference to the Water Supply Contractor. In addition, the following definitions shall apply:
 - a. **“Calendar Year”** means the period January 1 through December 31.
 - b. **“Contributed Funds”** means money contributed or advanced to DWR by Contractor pursuant to this Agreement. The total initial amount Contractor agrees to provide is \$14,013,168 and is comprised of the following annual amounts to be paid to DWR in the manner described in Section 5 of this Agreement are \$7,093,085 for 2021, and \$6,920,083 for 2022.
 - c. **“Contribution Payment(s)”** means the payments of Contributed Funds that Contractor agrees to provide to DWR pursuant this Agreement
 - d. **“Contractor”** means a State Agency that is a party to a Water Supply Contract with DWR.
 - e. **“Department”** or **“DWR”** means the California Department of Water Resources.
 - f. **“Effective Date”** has the meaning ascribed to it in section 11 hereof.
 - g. **“JEPA”** means the Joint Exercise of Powers Agreement between DWR and the DCA dated May 22, 2018, as amended and restated and as may be further amended from time to time.

- h. **“Pay-Go Charge”** means the charge included on Contractor’s Statements of Charges for the purpose of collecting Contributed Funds that Contractor agrees to advance or contribute to DWR pursuant to this Agreement.
 - i. **“Party”** or **“Parties”** means DWR, the undersigned Contractor, or all signatories to this Agreement.
 - j. **“State Agency”** has the meaning ascribed to it by Water Code section 11102.
 - k. **“SWP”** or **“State Water Project”** means the State Water Project operated by DWR. The SWP generally includes the State Water Facilities, as defined in California Water Code section 12934(d), and certain facilities authorized by the Central Valley Project Act at section 11100 *et. seq.*
 - l. **“Water Supply Contract”** means the long-term water supply contract, as amended and as may be amended in the future, between Contractor and DWR.
 - m. **“Work”** has the meaning ascribed to it in the Recitals to this Agreement.
2. Effect of Agreement. DWR and Contractor agree that nothing in this Agreement supersedes previous funding agreements or the obligations under those funding agreements unless specifically addressed in this Agreement.
 3. Purposes of Agreement. This Agreement documents Contractor’s agreement to provide Contributed Funds to DWR for the purposes set forth in Section 4, the manner of providing those funds as set forth in Section 5, and the means by which future contributions may be made.
 4. Use of Funds. DWR shall use the Contributed Funds and any future Contributed Funds collected from Contractor pursuant to section 5 hereof, for the payment of DCA invoices submitted to DWR on or after October 1, 2020 for the Work done or costs incurred by DCA, or for Delta conveyance project planning work done by DWR through the Delta Conveyance Office (“DCO”) and any other purpose consistent with the JEPA, as the same has been, and may be, amended from time to time. DWR will not use funds provided under this Agreement for the activities described in the Mitigated Negative Declaration for Soil Investigations for Data Collection in the Delta adopted by DWR on July 9, 2020.
 5. Charge Procedure. Contractor shall pay its Pay-Go Charge on the date(s) and in the amount(s) set forth on the revised Statement of Charges for 2021, and subsequent Statements of Charges issued to Contractor by DWR. The annual amounts will be paid in twelve monthly installments. Contractor may agree, without amending this Agreement, to advance additional funds after the Effective Date, which shall be considered Contributed Funds, by delivery to DWR of a letter in substantially the form attached hereto as Exhibit B, which letter shall specify the amount to be advanced or contributed, whether the payments will be in the form of one or more lump sums or in 12 equal installments, and together with such other information the Parties deem necessary or desirable to effectuate

the advance or contribution. A copy of the resolution, or other Board authorization, of Contractor's Board of Directors approving the subject contribution shall be enclosed with the letter. Upon receipt of a contribution letter DWR shall indicate its agreement by returning a counter signed copy of the letter to Contractor. The agreed upon advance or contribution shall thereafter be included in Contractor's Statement of Charges or a revised Statement of Charges, as appropriate. The charge shall be designated by reference to the year in which the charge is to begin, followed, if there be more than one such subsequent advance or contribution in a year by a dash and an integer followed by the words Pay-Go Charge.

6. Limitation. With respect to the Work and the DCA, nothing in this Agreement imposes any duty or obligation either expressly or by implication on DWR other than the duty to use Contributed Funds to pay the undisputed portion of DCA invoices submitted to DWR during the term of this Agreement in accordance with the terms of this Agreement and the JEPA if, as and when Contributed Funds have been received by DWR under this Agreement and other similar agreements or arrangements with other Contractors for purposes substantially the same as those described herein and is available for the payment thereof.
7. Reporting. DWR, through its DCO and in coordination with its State Water Project Analysis Office (SWPAO), shall annually prepare a report summarizing the advances or contributions received, and expenditures made pursuant to, this Agreement. The first such report shall be completed not later than March 31, 2021 and thereafter not later than March 31 of each subsequent year. Contractor may request in writing a summary of the advances, contributions, and expenditures at any time during the term of this Agreement and DWR shall provide such within thirty (30) days of such written request.
8. Status of Project. Contractor recognizes that the funds contributed pursuant to this Agreement are for the planning activities in support of DWR's environmental review and permitting process, including but not limited to the Work, for a potential Delta Conveyance project. The advance or contribution of Contributed Funds is not contingent on, or in exchange for, DWR's agreement to exercise its discretion in future to approve a Delta conveyance project.
9. Unspent Funds. Upon termination of this Agreement, it is the intent of the Parties that any unspent Contributed Funds remaining after payment of all costs for which the funds were contributed will be returned to Contractor as a credit on Contractor's Statement of Charges in proportion to its percentage share of advances or contributions made by all Contractors that entered into Agreements similar to this Agreement.
10. Reimbursement of Contributed Funds. If a Delta conveyance project is approved by DWR and is implemented it is the intent of the Parties hereto that the Contributed Funds spent in accordance with this Agreement be reimbursed or credited to Contractor according to the relative amount each such Contractor paid pursuant to this Agreement, upon the issuance and sale of revenue bonds by either the Department or a Joint Powers Authority established, whichever occurs earlier, for the purpose of, among other things, funding a future Delta conveyance facility. The Department shall be under no obligation to issue and sell bonds

for the purpose(s) described in the foregoing sentence or to undertake any reimbursement or credit as so described, unless a determination is first made by DWR in its sole discretion that such issuance and sale of revenue bonds, such reimbursement, or such credit as applicable is consistent with applicable law, applicable judicial rulings, and applicable contractual obligations of DWR, and the Parties have negotiated and executed such further agreements as may be necessary to accomplish such credit or reimbursement on terms acceptable to DWR.

11. Effective Date and Term. This Agreement shall become effective on the date the last Party hereto signs the Agreement as set forth on the signature page(s) hereto ("Effective Date") and shall continue in effect until terminated in writing by the Parties. The Parties obligations under Section 10 shall survive termination of this Agreement.
12. Invoices, Notices or Other Communications. All invoices, notices, or other communications required under this Agreement will be in writing, and will be deemed to have been duly given upon the date of service, if: (i) served personally on the Party to whom notice is to be given; (ii) sent by electronic mail, and the Party to whom notice is to be given confirms receipt; or (iii) on the third day after mailing, if mailed to the Party to whom invoice, notice or other communication is directed, by first-class mail, postage prepaid, and properly addressed to the designated representative(s) of the Party set forth below.

DWR: Pedro Villalobos
Chief, State Water Project Analysis Office
Department of Water Resources
1416 Ninth Street, Room 1620
Post Office Box 94236
Sacramento, California 94236-0001

Copy to:
Anthony Meyers
Executive Director, Delta Conveyance Office
Department of Water Resources
901 P Street, Room 413
Sacramento, California 94236-0001

Copy to:
Christopher Martin
Office of the Chief Counsel
Department of Water Resources
1416 Ninth Street, Room 1620
Post Office Box 94236
Sacramento, California 94236-0001

Contractor: Thomas McCarthy
General Manager
Kern County Water Agency
3200 Rio Mirada Drive
Bakersfield, CA 93308

Copy to:
Holly Melton
Water Resources Manager
Kern County Water Agency
3200 Rio Mirada Drive
Bakersfield, CA 93308

13. No Delegation of Authority. Nothing in this Agreement constitutes a delegation by any Party of its existing authority to make any decision it is mandated to make. Nothing in this Agreement shall limit DWR's final decision-making authority at the time of consideration of future Delta conveyance facility related approvals. All provisions of this Agreement are intended to be, and shall to the extent reasonable be interpreted to be, consistent with all applicable provisions of State and federal law. The undersigned recognize that the Parties are public agencies and have specific statutory responsibilities, and that actions of these public agencies must be consistent with applicable procedural and substantive requirements of State and federal law. Nothing in this Agreement is intended to, nor will have the effect of, constraining or limiting any public agency in carrying out its statutory responsibilities or requiring an agency to take any action inconsistent with applicable law. Nothing in this Agreement constitutes an admission by any Party as to the proper interpretation of any provision of law, nor will it have the effect of, waiving or limiting any public entity's rights and remedies under applicable law except as expressly provided elsewhere in this Agreement. Execution of this Agreement does not constitute pre-approval of any project or preferred project alternative, or waive or otherwise abridge responsible trustee duties required, or discretion authorized or granted by, State and federal law.
14. Amendment. Except as otherwise set forth above, this Agreement may only be amended or modified by a subsequent written agreement approved and executed by both Parties.
15. Applicable Law. This Agreement will be construed under and will be deemed to be governed by the laws of the United States and the State of California.
16. Integration. This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this Agreement among the Parties concerning the subject matter, and supersedes all prior negotiations, representations or agreement, either oral or written, that may be related to the subject matter of this Agreement.
17. Counterparts. This Agreement may be executed in counterparts, each of which shall constitute an original, but all of which shall constitute one and the same agreement. Each signing Party shall have received a copy of the signature page signed by every other Party.

Exhibits attached and incorporated herein:

Exhibit A Board Resolution or other Board Authorization

Exhibit B Form of Letter Regarding Future Contributions

IN WITNESS WHEREOF, the Parties hereto, by their authorized representatives, have executed this Agreement on the date(s) set forth below.

Approved as to Legal Form
and Sufficiency

State of California
Department of Water Resources

Spencer Kenner, Chief Counsel

Karla A. Nemeth,
Director

Date

Date

Approved as to Legal Form
and Sufficiency

Kern County Water Agency



Amelia T. Minabernigarai,
General Counsel



Holly Melton,
Water Resources Manager

December 15, 2020

December 15, 2020

Date

Date

BEFORE THE BOARD OF DIRECTORS
OF THE
KERN COUNTY WATER AGENCY

In the matter of:

AUTHORIZING EXECUTION OF THE AGREEMENT *
FOR THE ADVANCE OR CONTRIBUTION OF *
MONEY TO THE DEPARTMENT OF WATER *
RESOURCES BY THE KERN COUNTY WATER *
AGENCY FOR PRELIMINARY PLANNING AND *
DESIGN COSTS RELATED TO A POTENTIAL *
DELTA CONVEYANCE PROJECT *

I, Stephanie N. Prince, Secretary of the Board of Directors of the Kern County Water Agency, of the County of Kern, State of California, do hereby certify that the following resolution proposed by Director Milobar, and seconded by Director Page, was duly passed and adopted by said Board of Directors at an official meeting hereof this 18th day of November, 2020, by the following vote, to wit:

Ayes: Page, Wulff, Lundquist, Milobar, Cerro and Fast

Noes: None

Absent: Hafenfeld



Secretary of the Board of Directors
of the Kern County Water Agency

Resolution No. 47-20

WHEREAS, the Kern County Water Agency (Agency) has a long-term water supply contract with the State of California Department of Water Resources (DWR) for the delivery of State Water Project (SWP) water; and

WHEREAS, on July 21, 2017, DWR approved the project known as the California WaterFix, which was a dual conveyance project that involved two new diversion points and two tunnels moving

water from the Sacramento River north of the Sacramento-San Joaquin Delta (Delta) under the Delta to SWP and Central Valley Project water pumping facilities in the South Delta; and

WHEREAS, the purpose of the WaterFix was to improve the reliability of SWP water for the Agency and other SWP contractors; and

WHEREAS, the Agency previously expressed interest in participating in WaterFix and participated in a funding agreement to pay a share of preconstruction planning activities associated with the WaterFix; and

WHEREAS, in 2019, Governor Newsom announced that he did not support the WaterFix but he instead supported a one tunnel conveyance project and DWR subsequently rescinded its approvals of the WaterFix and began planning for a single tunnel option; and

WHEREAS, DWR has requested that the Agency identify the level of its desired participation in a potential Delta Conveyance Project (DCP) assuming a 6,000 cubic feet per second (cfs) facility, which will be used to inform the percentage of DCP planning funding allocated to the Agency; and

WHEREAS, DWR has also requested that the Agency enter into a new funding agreement with DWR for an amount equal to the Agency's participation percentage of the preliminary design, environmental planning and other preconstruction activities for DCP; and

WHEREAS, the Agency's participating Basic Contract Member Units must provide their share of funds to the Agency for the Agency to advance funds to DWR; and

WHEREAS, the recommended action does not qualify as a "project" subject to California Environmental Quality Act (CEQA) because the action constitutes (1) continuing administrative or maintenance activities, such as general policy and procedure making; (2) government fiscal activities that do not involve any commitment to any specific project that may result in a potentially significant physical impact on the environment; and (3) organizational or administrative activities of a public agency that will not result in direct or indirect physical changes in the environment. (State CEQA Guidelines, § 15060(c)(3).) The recommended action does not constitute an approval by the Agency of the DCP nor does the action authorize or approve construction of the DCP. The recommended action does not

authorize any amendment to the long-term water supply contract with DWR. Further, the recommended action does not authorize or approve any actions by the Delta Conveyance Design and Construction Authority that may cause direct or reasonably foreseeable indirect environmental impacts. As such, the action recommended herein is not a “project” requiring environmental review under CEQA pursuant to State CEQA Guideline § 15378, subdivisions (a) and (b)(2), (b)(4) and (b)(5); and

WHEREAS, even if the actions were considered a CEQA “project,” these actions would be statutorily exempt from environmental review pursuant to CEQA Guideline § 15262 because the actions merely call for the funding and completion of feasibility and planning studies, including the completion of CEQA review itself. In addition, the actions are exempt under the “common sense” exemption in CEQA Guidelines § 15061, subdivision (b)(3) because it can be seen with certainty that there is no possibility that the actions may have a significant effect on the environment. Finally, none of the exceptions to the use of the “common sense” exemption as identified in CEQA Guidelines § 15300.2 exist here; and

WHEREAS, Agency staff will file a Notice of Exemption under CEQA for the recommended action.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the Kern County Water Agency that:

1. The foregoing recitals are true and correct.
2. The Water Resources Manager is authorized, subject to prior execution of the Contract Between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project and approval of General Counsel as to legal form, to execute the Agreement for the Advance or Contribution of Money to the Department of Water Resources by the Kern County Water Agency for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project, attached hereto as Exhibit A.

Exhibit B

Form of Contribution Letter

[date]
[address]

Re: Contribution or Advance of Money for Delta Conveyance Planning Activities

Dear Mr. Villalobos:

This letter is sent pursuant to section 5 of the Agreement for the Advance of Contribution of Money to the Department of Water Resources for Preliminary Planning and Design Costs Related to a Potential Delta conveyance Project dated _____, 2019 between Department of Water Resources and the [agency] ("Funding Agreement").

On [date] the Board of Directors of [agency] approved the contribution or advance of \$[amount] to the Department for use in accordance with the terms of the Funding Agreement. A copy of the Board's resolution is enclosed with this letter. The contribution or advance will be collected from [agency] in [a lump sum][equal monthly installments] by inclusion of a charge [on its Statement of Charges for [year]][on a revised Statement of Charges for [year] that Department will issue to [agency]]. The charge shall be referred to as the [year] Pay-go Charge. As provided by section 5 of the Agreement the contribution or advance described herein will be subject to the terms and conditions of the Agreement.

Please confirm your agreement to the foregoing by countersigning in the space provided below and returning an original copy of this letter agreement to [agency] at [address].

[signature blocks for agency and Department]

Enclosure(s)

cc: Anthony Meyers, Executive Director of Delta Conveyance Office

Delta Conveyance Project -- Planning and Design Costs
Kern County Water Agency
Member Unit Participation

EXHIBIT B

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	Firm Table 1 (af)	DCP Participation		2021	2022	2023	2024	Total
Member Unit		(af)	(%)	(\$)	(\$)	(\$)	(\$)	(\$)
Belridge Water Storage District	121,508	42,528	35.0000%	\$662,804	\$646,638	TBD	TBD	\$1,309,443
Berrenda Mesa Water District	92,600	46,300	50.0000%	721,595	703,995	TBD	TBD	1,425,590
Buena Vista Water Storage District	21,300	42,600	200.0000%	663,930	647,736	TBD	TBD	1,311,666
Cawelo Water District	38,200	7,640	20.0000%	119,071	116,167	TBD	TBD	235,238
Henry Miller Water District	35,500	0	0.0000%	0	0	TBD	TBD	0
Improvement District No. 4	82,946	82,946	100.0000%	1,292,730	1,261,200	TBD	TBD	2,553,931
Kern Delta Water District	25,500	0	0.0000%	0	0	TBD	TBD	0
Lost Hills Water District	119,110	59,555	50.0000%	928,177	905,538	TBD	TBD	1,833,715
Rosedale-Rio Bravo Water Storage District	29,900	29,900	100.0000%	465,998	454,632	TBD	TBD	920,629
Semitropic Water Storage District	155,000	31,000	20.0000%	483,141	471,357	TBD	TBD	954,499
Tehachapi-Cummings County Water District	19,300	19,300	100.0000%	300,794	293,458	TBD	TBD	594,252
Tejon-Castac Water District	5,278	5,278	100.0000%	82,259	80,252	TBD	TBD	162,511
West Kern Water District	31,500	25,000	79.3660%	389,635	380,131	TBD	TBD	769,766
Wheeler Ridge-Maricopa Water Storage District	197,088	63,070	32.0007%	982,952	958,977	TBD	TBD	1,941,929
Total	974,730	455,117		\$7,093,085	\$6,920,083			\$14,013,168

AMENDMENT NO. 1 CONTRACT BETWEEN KERN COUNTY WATER AGENCY AND
ITS MEMBER UNITS FOR
PRELIMINARY PLANNING AND DESIGN COSTS RELATED TO A
POTENTIAL DELTA CONVEYANCE PROJECT

This Amendment No. 1 to the Contract Between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project (“Amendment”) is made by and between the KERN COUNTY WATER AGENCY (“Agency”) on behalf of itself and its IMPROVEMENT DISTRICT NO. 4, and BELRIDGE WATER STORAGE DISTRICT, BERRENDA MESA WATER DISTRICT, BUENA VISTA WATER STORAGE DISTRICT, CAWELO WATER DISTRICT, LOST HILLS WATER DISTRICT, ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT, SEMITROPIC WATER STORAGE DISTRICT on behalf of itself and its BUTTONWILLOW IMPROVEMENT DISTRICT and POND-POSO IMPROVEMENT DISTRICT, TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT, TEJON-CASTAC WATER DISTRICT, WEST KERN WATER DISTRICT AND WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT (each, a “Member Unit” and collectively, “Member Units”). The Agency and the Member Units are referred to individually as a “Party” and collectively as “Parties.”

WHEREAS, the Agency and the State of California, Department of Water Resources (“Department”) have entered into and subsequently amended a long-term water supply contract providing that DWR shall supply certain quantities of water to the Agency, providing that the Agency shall make certain payments to the Department, and setting forth the terms and conditions of such supply and payments (“Master Contract”); and

WHEREAS, the Agency and each Member Unit have entered into and subsequently amended a water supply contract, (the “Member Unit’s Contract”) wherein the Agency agreed to

deliver a portion of the annual water supply it receives from the Department under the Master Contract, and in return the Member Unit agreed to annually pay the Agency a percentage of the Agency's obligation to pay the Department for that water; and

WHEREAS, on December 15, 2020 the Agency and the Member Units entered into the Contract Between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project ("Agreement") to provide the Agency's share of funding for the environmental review, planning and design of a potential Delta conveyance project for the first two years; and

WHEREAS, on January 6, 2021 the Agency entered into a funding agreement with the Department to pay for the Agency's share of environmental review, planning and design costs associated with a potential Delta conveyance project for the first two years, out of the four years of required funding; and

WHEREAS, the Department is requesting each contractor who intends to participate in a potential Delta conveyance project to provide the remaining two years of required funding for environmental review, planning, and design costs of the proposed project through 2024; and

WHEREAS, the Agency has provided the Member Units with monthly updates on the environmental review, planning and design of a potential Delta conveyance project, including budget and progress updates when available as required by Article 5 of the Agreement.

WHEREAS, prior to the Agency's submittal of a letter and Board resolution to the Department committing to provide additional contributed funds beyond the 2021 and 2022 Statement of Charges, the Agency has reviewed with the Member Units, as required by Article 5 of the Agreement, the progress of a potential Delta conveyance project, including its environmental

WHEREAS, in order for the Agency to be able to provide its remaining share of the funding for the environmental review, planning and design of a potential Delta conveyance project, the Agency must receive additional funding from its Member Units.

I. Exhibit B to the Contract Between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project dated December 15, 2020 is hereby replaced with the attached Exhibit B which has been updated to establish each participating Member Unit's share of the Agency's funding commitment for 2023 and 2024.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date(s) set forth below.

BELRIDGE WATER STORAGE DISTRICT

Mark Gilkey, General Manager

Date _____

review, planning and design, to determine whether the Member Units will contribute additional funds; and

WHEREAS, in order for the Agency to be able to provide its remaining share of the funding for the environmental review, planning and design of a potential Delta conveyance project, the Agency must receive additional funding from its Member Units.

NOW, THEREFORE, it is hereby mutually agreed by the Parties hereto as follows:

I. Exhibit B to the Contract Between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project dated December 15, 2020 is hereby replaced with the attached Exhibit B which has been updated to establish each participating Member Unit's share of the Agency's funding commitment for 2023 and 2024.

II. All other provisions of the Contract Between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project dated December 15, 2020 shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date(s) set forth below.

KERN COUNTY WATER AGENCY
on behalf of itself and its IMPROVEMENT
DISTRICT NO. 4

Thomas D. McCarthy, General Manager

Date

BELRIDGE WATER STORAGE DISTRICT

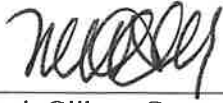


Mark Gilkey, General Manager

4/28/2022

Date

BERRENDA MESA WATER DISTRICT



Mark Gilkey, General Manager

4/28/2022

Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

Dan Bartel, Engineer-Manager

Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

Tom Neisler, General Manager

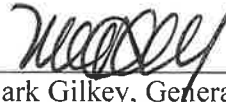
Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

Date

LOST HILLS WATER DISTRICT



Mark Gilkey, General Manager

4/28/2022

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

Dan Bartel, Engineer-Manager

Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

Tom Neisler, General Manager

Date

BUENA VISTA WATER STORAGE DISTRICT



Tim Ashlock, Engineer-Manager

4-28-22

Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

Date

CAWELO WATER DISTRICT



David Ansolabehere, General Manager

15 April 2022

Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

Dan Bartel, Engineer-Manager

Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

Tom Neisler, General Manager

Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

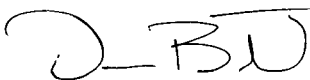
Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT



Dan Bartel, Engineer-Manager

4/12/2022
Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

Tom Neisler, General Manager

Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

Dan Bartel, Engineer-Manager

Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

Tom Neisler, General Manager

Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT



Jason Gianquinto, General Manager

27 APRIL 2022

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

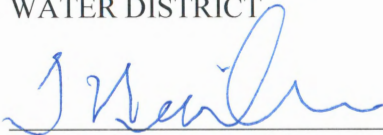
Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

Dan Bartel, Engineer-Manager

Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT



Tom Neisler, General Manager

05/09/22

Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

Date

BERRENDA MESA WATER DISTRICT

Mark Gilkey, General Manager

Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

Date

ROSEDALE-RIO BRAVO WATER
STORAGE DISTRICT

Dan Bartel, Engineer-Manager

Date

TEHACHAPI-CUMMINGS COUNTY
WATER DISTRICT

Tom Neisler, General Manager

Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

Date

LOST HILLS WATER DISTRICT

Mark Gilkey, General Manager

Date

SEMITROPIC WATER STORAGE DISTRICT
on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO
IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEJON-CASTAC WATER DISTRICT


Angelica Martin, Secretary

4/13/2020
Date

WEST KERN WATER DISTRICT



Greg Hammett, General Manager

3.23.2022

Date

WHEELER RIDGE-MARICOPA WATER
STORAGE DISTRICT

Sheridan Nicholas, Engineer-Manager

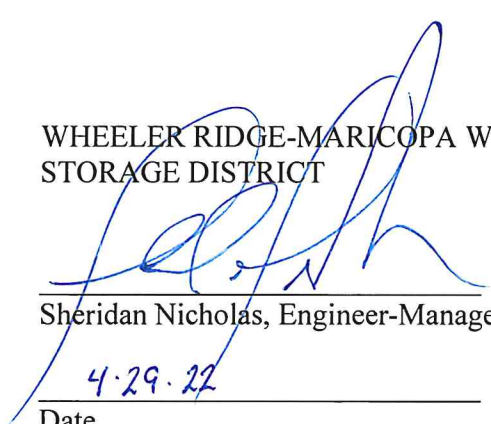
Date

WEST KERN WATER DISTRICT

Greg Hammett, General Manager

Date

WHEELER RIDGE-MARICOPA WATER
STORAGE DISTRICT



Sheridan Nicholas, Engineer-Manager

4.29.22

Date

Delta Conveyance Project -- Planning and Design Costs
Kern County Water Agency
Member Unit Participation

EXHIBIT B
Revised to Include 2023 & 2024

	(1) Firm Table 1 (af)	(2) DCP Participation		(3) (%)	(4) 2021 (\$)	(5) 2022 (\$)	(6) 2023 (\$)	(7) 2024 (\$)	(8) Total (\$)
		(af)							
Member Unit									
Belridge Water Storage District	121,508	42,528		35.0000%	\$662,804	\$646,638	\$1,077,731	\$1,185,504	\$3,572,678
Berrinda Mesa Water District	92,600	46,300		50.0000%	721,595	703,995	1,173,325	1,290,658	3,889,573
Buena Vista Water Storage District	21,300	42,600		200.0000%	663,930	647,736	1,079,560	1,187,516	3,578,742
Cawelo Water District	38,200	7,640		20.0000%	119,071	116,167	193,611	212,972	641,821
Henry Miller Water District	35,500	0		0.0000%	0	0	0	0	0
Improvement District No. 4	82,946	82,946		100.0000%	1,292,730	1,261,200	2,102,000	2,312,201	6,968,132
Kern Delta Water District	25,500	0		0.0000%	0	0	0	0	0
Lost Hills Water District	119,110	59,555		50.0000%	928,177	905,538	1,509,231	1,660,154	5,003,100
Rosedale-Rio Bravo Water Storage District	29,900	29,900		100.0000%	465,998	454,632	757,720	833,492	2,511,841
Semitropic Water Storage District	155,000	31,000		20.0000%	483,141	471,357	785,596	864,155	2,604,250
Tehachapi-Cummings County Water District	19,300	19,300		100.0000%	300,794	293,458	489,097	538,006	1,621,355
Tejon-Castac Water District	5,278	5,278		100.0000%	82,259	80,252	133,754	147,129	443,394
West Kern Water District	31,500	25,000		79.3660%	389,635	380,131	633,552	696,907	2,100,225
Wheeler Ridge-Maricopa Water Storage District	197,088	63,070		32.0007%	982,952	958,977	1,598,295	1,758,125	5,298,349
Total	974,730	455,117			\$7,093,085	\$6,920,083	\$11,533,472	\$12,686,819	\$38,233,459

ATTACHMENT “C”

RESOLUTION NO. 04-25

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT (1) CONSIDERING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE DELTA CONVEYANCE PROJECT (STATE CLEARINGHOUSE NO. 2020010227); (2) MAKING RESPONSIBLE AGENCY FINDINGS FOR THE DELTA CONVEYANCE PROJECT PURSUANT TO THE CALIFORNIA ENVIRONMENTAL QUALITY ACT (“CEQA”) AND STATE CEQA GUIDELINES SECTION 15096; (3) ADOPTING CEQA FINDINGS OF FACT FOR THE DELTA CONVEYANCE PROJECT UNDER STATE CEQA GUIDELINES SECTION 15091; (4) ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS UNDER STATE CEQA GUIDELINES SECTION 15093 FOR PRE-CONSTRUCTION WORK RELATED TO THE DELTA CONVEYANCE PROJECT; AND (5) AUTHORIZING THE GENERAL MANAGER TO EXECUTE SECOND AMENDMENT TO FUNDING CONTRACT WITH KERN COUNTY WATER AGENCY SETTING FORTH THE DISTRICT’S CONTRIBUTION OF ADDITIONAL MONEY FOR THE DISTRICT’S SHARE OF THE DELTA CONVEYANCE PROJECT PLANNING AND PRE-CONSTRUCTION COSTS FOR CALENDAR YEARS 2026-2027 IN AN AMOUNT NOT TO EXCEED \$1,427,443.00

WHEREAS, on April 29, 2019, Governor Gavin Newsom signed Executive Order N-10-19, directing the California Natural Resources Agency, California Environmental Protection Agency, and California Department of Food and Agriculture to develop a comprehensive strategy to build a climate-resilient water system and ensure healthy waterways through the twenty-first century; and

WHEREAS, after a public input period, on July 28, 2020, Governor Newsom released the California Water Resilience Portfolio, which identified a suite of complementary actions to ensure safe and resilient water supplies, flood protection, and healthy waterways for the state’s communities, economy, and environment; among these actions was a project (the “**Delta Conveyance Project**”) entailing new diversion and conveyance facilities in the Sacramento-San Joaquin Delta (“**Delta**”) to safeguard the State Water Project (“**SWP**”); and

WHEREAS, the primary purpose of the SWP is to convey water to local and regional water suppliers across California that, in turn, supply end users engaged in the beneficial uses of that water; to this end, SWP has long-term contracts to supply water to 29 public water agencies, known as State Water Contractors, that distribute that water to farms, homes, and industry; and

WHEREAS, Kern County Water Agency (the “Agency”) is one of the State Water Contractors, and it possesses a long-term water supply contract with the Department of Water Resources (“**DWR**”), which is the owner and operator of the SWP, which allows for the annual importation of water via the SWP; and

WHEREAS, Tehachapi-Cummings County Water District_ District (the “District”) is one of the Agency’s Member Units and has entered into contracts with the Agency to receive a portion of the water the Agency receives under its SWP contract with DWR; and

WHEREAS, the Agency’s allocation of imported SWP water, and resultingly the District’s supply of water through the Agency, fluctuates annually based on a variety of factors, including Delta conditions, reservoir levels, rainfall, snow pack, and pumping capacity in the Delta, as well as operational limits for fish and wildlife protection, water quality, and environmental and legal restrictions; and

WHEREAS, the infrastructure that enables the conveyance, or movement, of water supply from the Delta to the Agency and District is of great consequence to the District; and

WHEREAS, factors such as the continuing subsidence of lands, risk of seismic activity and any resulting impact on levees within the Delta, sea level rise, precipitation change, warmer temperatures, and wider variations in the hydrological conditions associated with climate change threaten the reliability of the current SWP water conveyance system; and

WHEREAS, the Delta Conveyance Project involves the construction and future operation of new water intake facilities on the Sacramento River in the north Delta and a single main tunnel to divert and move water entering the north Delta from the Sacramento Valley watershed to existing SWP facilities in the south Delta, which would result in a dual conveyance system in the Delta; and

WHEREAS, DWR’s fundamental purpose in proposing to develop the Delta Conveyance Project is to restore and protect the reliability of SWP water deliveries to the State Water Contractors, including the Agency and ultimately its Member Units; and

WHEREAS, in January 2020, DWR, as lead agency for the Delta Conveyance Project under the California Environmental Quality Act (“**CEQA**”), filed and circulated a Notice of Preparation of an Environmental Impact Report (“**EIR**”) for the Delta Conveyance Project;

WHEREAS, in July 2022, DWR circulated a Draft EIR (State Clearinghouse No. 2020010227) for the Delta Conveyance Project for a 92-day review period, beginning on July 27, 2022 and closing on October 27, 2022; and

WHEREAS, the EIR analyzed the potential environmental impacts of data collection and field work investigations, including ground-disturbing geotechnical work, water quality and hydrogeologic investigations, agronomic testing, the installation of monitoring equipment, construction test projects, pre-construction design work, and engineering work (collectively, “**Pre-Construction Work**”) that would occur after certification of the EIR and that would guide the ultimate design, appropriate construction methods, and monitoring programs for the Delta Conveyance Project; and

WHEREAS, the EIR concluded that the Delta Conveyance Project, including the Pre-Construction Work, would have less than significant impacts without the implementation of mitigation as to some resources; less than significant impacts with the implementation of mitigation measures identified in a Mitigation Monitoring and Reporting Program (“**MMRP**”) as to other resources; and significant and unavoidable impacts as to Agricultural Resources, Aesthetics, Cultural Resources, Transportation, Air Quality, Noise, Paleontological Resources, and Tribal Cultural Resources; and

WHEREAS, on December 21, 2023, DWR certified the Final EIR for the Delta Conveyance Project, adopted the MMRP to require DWR’s implementation of the mitigation measures identified therein, adopted CEQA Findings of Fact pursuant to State CEQA Guidelines section 15091, adopted a Statement of Overriding Considerations relating to the Delta Conveyance Project’s significant and unavoidable environmental impacts pursuant to State CEQA Guidelines section 15093, and approved the Delta Conveyance Project; and

WHEREAS, the Final EIR certified by DWR and related CEQA documents can be found at DWR’s website, located at <https://www.deltaconveyanceproject.com/planning-processes/california-environmental-quality-act/final-eir/final-eir-document>. A copy of these documents has also been retained in the District’s files and has been made available to and reviewed and considered by the District’s Board of Directors; and

WHEREAS, on December 9, 2020, the Agency previously entered an Agreement for the Advance or Contribution of Money to DWR for preliminary planning and design costs related to a potential Delta Conveyance Project (the “**Agreement**”); and

WHEREAS, pursuant to Section 5 of the Agreement, the Agency will consider executing a letter that commits it to contribute additional funds for Pre-Construction Work for the Calendar Years 2026 and 2027, and the District will commit to paying \$1,427,443.00 for Pre-Construction Work in those years, as determined by its proportionate participation in the DCP; and

WHEREAS, the District only seeks to provide funding for Pre-Construction Work (as defined above), and the District is not approving or committing to its participation in the broader Delta Conveyance Project at this time; and

WHEREAS, the District is a responsible agency for the Delta Conveyance Project under CEQA, and pursuant to State CEQA Guidelines section 15096, the District hereby intends to adopt CEQA Findings of Fact under State CEQA Guidelines section 15091 and a Statement of Overriding Considerations under State CEQA Guidelines section 15093; and

WHEREAS, the District has heard, been presented with, reviewed, and considered all of the information and data presented to it, including the certified EIR for the Delta Conveyance Project; DWR’s findings relating to the Delta Conveyance Project under State CEQA Guidelines sections 15091 and 15093; and all public comments; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Incorporation of Recitals. The foregoing recitals are true and correct and are incorporated herein and made an operative part of this Resolution.

SECTION 2. Adequacy of the EIR under CEQA. The District has independently reviewed and considered the certified EIR for the Delta Conveyance Project, DWR's record of proceedings, and the District's record of proceedings, and the District finds that the EIR adequately and properly analyzes the potential environmental impacts of the Delta Conveyance Project, including Pre-Construction Work that the District seeks to partially fund in proportion to its participation in the DCP.

The District further hereby finds that none of the conditions set forth in State CEQA Guidelines section 15162 that could potentially trigger the need for a Subsequent EIR or Subsequent Negative Declaration apply to the Pre-Construction Work. The Pre-Construction Work does not entail or propose any substantial changes to the Delta Conveyance Project that will require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There have been no substantial changes that have occurred with respect to the circumstances under which the Pre-Construction Work, which was analyzed in the EIR, will be undertaken that will require major revisions of the EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects. There has been no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the EIR was certified, which shows that (1) the Pre-Construction Work will have one or more significant effects not discussed in the EIR; (2) significant effects previously examined will be substantially more severe than shown in the EIR; (3) mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the Delta Conveyance Project or Pre-Construction Work; or (4) mitigation measures or alternatives which are considerably different from those analyzed in the EIR would substantially reduce one or more significant effects on the environment. None of these conditions, as set forth in State CEQA Guidelines section 15162, apply here.

SECTION 3. Finding concerning Alternatives and Mitigation Measures. The District, as a responsible agency under CEQA, is more limited than the lead agency (i.e., DWR) when considering alternatives and mitigation measures for the Delta Conveyance Project. A responsible agency has responsibility for mitigating or avoiding only the direct or indirect environmental effects of those parts of a project that the responsible agency decides to carry out, finance, or approve; moreover, a responsible agency is required to adopt a feasible alternative or feasible mitigation measures for a project only if (1) such alternative or mitigation measures are within the responsible agency's powers, and (2) the alternative or mitigation measures would substantially lessen or avoid any significant effect the project would have on the environment.

Here, the District is not approving or committing to carrying out, financing, or approving its participation in the broader Delta Conveyance Project, nor does the District have legal authority or powers to approve or carry out modifications or operations to the State Water Project or the Delta Conveyance Project. Instead, the District seeks only to assist in the funding of the Pre-Construction Work, which entails data collection, research, and resource evaluation activities that precede any physical construction of the Delta Conveyance Project. The District finds that the mitigation measures to be implemented by DWR, as set forth in the EIR and the MMRP adopted by DWR, mitigate and avoid the Pre-Construction Work's potential environmental impacts to the extent feasible. The District finds there are no feasible alternatives or feasible mitigation measures within its powers that would substantially lessen or avoid any significant effect the Pre-Construction Work would have on the environment beyond what was identified in the EIR and the MMRP.

SECTION 4. CEQA Findings of Fact under State CEQA Guidelines section 15091. The District adopts DWR's CEQA Findings of Fact, a true and correct copy of which is attached hereto as **Attachment "A"** and incorporated herein by reference, as to the Pre-Construction Work.

SECTION 5. Statement of Overriding Considerations. The District finds that the Pre-Construction Work's economic, legal, social, technological, and other benefits outweigh, both individually and collectively, the Pre-Construction Work's potentially significant and unavoidable environmental effects. Pursuant to State CEQA Guidelines section 15093, the District hereby adopts the Statement of Overriding Considerations attached hereto and incorporated by reference as **Attachment "B."**

SECTION 6. Approval of Funding for Pre-Construction Work. The District's Board of Directors hereby authorizes the District's General Manager to execute Amendment No. 2 to the Contract Between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project, setting forth the District's contribution of additional funds for Pre-Construction Work for the Calendar Years 2026 and 2027 in an amount not to exceed \$1,427,443.00

SECTION 7. Notice of Determination. The District's Board of Directors hereby directs staff to prepare, file, and cause to be posted a Notice of Determination with the County Clerk or Clerk to the Board of Supervisors in the Counties of Alameda, Contra Costa, Sacramento, San Joaquin, Solano, and Yolo within five (5) working days of the approval of the Resolution.

SECTION 8. Custodian of Documents. The custodian of documents constituting the record of proceedings for this matter is Catherine Adams, Secretary of the District. The documents constituting the record of proceedings for this matter are located at TCCWD District Office, Tehachapi, California 93561.

SECTION 9. Severability. If any provision of this Resolution is held invalid, the remainder of this Resolution shall not be affected by such invalidity, and the provisions of this Resolution are severable.

SECTION 10. Effective Date. This Resolution shall become effective immediately upon its adoption.

Passed, Approved and Adopted by the Board of Directors of the Tehachapi-Cummings County Water District on this 26th day of March, 2025.

Robert W. Schultz, Board President

Catherine Adams, Board Secretary

SECRETARY'S CERTIFICATE

I, CATHERINE ADAMS, Secretary of the Board of Directors of Tehachapi-Cummings County Water District, hereby certify as follows:

The foregoing is a full, true and correct copy of Resolution No. 04-25 duly adopted at a regular meeting of the Board of Directors of the District, duly and legally held at the regular meeting place thereof on March 26, 2025. All the members of the Board of Directors received due notice of the meeting and a majority thereof was present. At the meeting, the resolution was adopted by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Catherine Adams, Board Secretary

Attachment “A”

Department Of Water Resources’

CEQA Findings Of Fact

Attachment “B”

Statement of Overriding Considerations

California Public Resources Code section 21081, subdivision (b), and State CEQA Guidelines section 15093 provide that, when a public agency decision-maker approves a project that may have potentially significant, unavoidable environmental impacts identified in an environmental impact report, the decision-making body must state in writing the reasons to support its action based on the completed EIR and/or other information in the administrative record.

Here, the Tehachapi-Cummings County Water District (the “District”) is considering approval of its contribution of additional funds for data collection and field work investigations, including ground-disturbing geotechnical work, water quality and hydrogeologic investigations, agronomic testing, the installation of monitoring equipment, construction test projects, pre-construction design work, and engineering work (collectively, “**Pre-Construction Work**”) that will guide the ultimate design, appropriate construction methods, and monitoring programs for the Department of Water Resources’ (“**DWR**”) Delta Conveyance Project (“**DCP**”). The DCP entails the development of new diversion and conveyance facilities in the Sacramento-San Joaquin Delta (“**Delta**”) to safeguard the State Water Project (“**SWP**”), which provides water supplies to the District. The District is not considering approval of its participation in the DCP at this time, nor is the District committing to a future approval of the DCP by approving the Pre-Construction Work.

DWR prepared and certified an Environmental Impact Report (“**EIR**”) (State Clearinghouse Number 2020010227) that analyzed the potential environmental impacts of the DCP, inclusive of potential impacts associated with the Pre-Construction Work. The EIR concluded that the DCP, inclusive of the Pre-Construction Work, may have significant and unavoidable impacts on the environment, and these impacts are listed below and prefaced by their identification number from the EIR:

- Impact AG-1: Convert a Substantial Amount of Prime Farmland, Unique Farmland, Farmland of Local Importance, or Farmland of Statewide Importance as a Result of Construction of Water Conveyance Facilities
- Impact AG-2: Convert a Substantial Amount of Land Subject to Williamson Act Contract or under Contract in Farmland Security Zones to a Nonagricultural Use as a Result of Construction of Water Conveyance Facilities
- Impact AES-1: Substantially Degrade the Existing Visual Character or Quality of Public Views (from Publicly Accessible Vantage Points) of the Construction Sites and Visible Permanent Facilities and Their Surroundings in Nonurbanized Areas
- Impact AES-2: Substantially Damage Scenic Resources including, but Not Limited to, Trees, Rock Outcroppings, and Historic Buildings Visible from a State Scenic Highway
- Impact AES-3: Have Substantial Significant Impacts on Scenic Vistas
- Impact CUL-1: Impacts on Built-Environment Historical Resources Resulting

from Construction and Operation of the Project

- Impact CUL-2: Impacts on Unidentified and Unevaluated Built-Environment Historical Resources Resulting from Construction and Operation of the Project
- Impact CUL-3: Impacts on Identified Archaeological Resources Resulting from the Project
- Impact CUL-4: Impacts on Unidentified Archaeological Resources That May Be Encountered in the Course of the Project
- Impact CUL-5: Impacts on Buried Human Remains
- Impact TRANS-1: Increased Average VMT Per Construction Employee versus Regional Average
- Impact AQ-5: Result in Exposure of Sensitive Receptors to Substantial Localized Criteria Pollutant Emissions
- Impact NOI-1: Generate a Substantial Temporary or Permanent Increase in Ambient Noise Levels in the Vicinity of the Project in Excess of Standards Established in the Local General Plan or Noise Ordinance, or Applicable Standards of Other Agencies
- Impact PALEO-2: Cause Destruction of a Unique Paleontological Resource as a Result of Tunnel Construction and Ground Improvement
- Impact TCR-1: Impacts on the Delta Tribal Cultural Landscape Tribal Cultural Resource Resulting from Construction, Operations, and Maintenance of the Project Alternatives
- Impact TCR-2: Impacts on Individual Tribal Cultural Resources Resulting from Construction, Operations, and Maintenance of the Project Alternatives

In the judgment of the District's Board of Directors, each benefit of the Pre-Construction Work, as set forth below, outweighs – both individually and collectively – each of these potentially significant and unavoidable impacts for the reasons set forth below.

1. **The Pre-Construction Work is necessary for the safe and efficient design of the DCP.** The information collected from and generated by the Pre-Construction Work would be used to develop the DCP safely, efficiently, and in manner that minimizes impacts to the environment. For example, the information collected would be used to develop, among other things, detailed design of the DCP's structure and bridge foundations, new or modified levee cross sections, and ground improvement methodology. Moreover, information from the Pre-Construction Work would determine selection of tunnel boring machine methods, dewatering methods and quantities, below-grade construction methods (such as at the shafts and the pumping plant), need for impact pile driving, and methods to reduce ground settlement risk at all construction sites and along the tunnel alignment. The information would also be used to determine the specific depths and widths of groundwater cutoff walls to be installed at select construction sites. Additionally, soil samples obtained during soil borings would be analyzed to determine the structural capabilities of the soil to construct tunnel shaft pads and levee improvements, among other things. Soil and water quality tests would also be conducted to determine the potential for the presence of high concentrations of metals, organic materials, or hazardous materials that would require specific

treatment and/or disposal methods. Thus, the Pre-Construction Work would generate information necessary to guide any construction of the DCP in a manner that would minimize its potential environmental impacts and most efficiently achieve the DCP's objectives.

2. **The DCP, which cannot be developed without the Pre-Construction Work, would restore and protect the reliability of SWP Water Deliveries South of the Delta.** The primary purpose of the SWP is to convey water to local and regional water suppliers, including the District, across California that, in turn, supply end users engaged in the beneficial uses of that water. Protection of the SWP is thus important to the District. The Pre-Construction Work will help ensure that the DCP, if constructed, will help protect SWP water deliveries to the District, through Kern County Water Agency, by addressing seismic risks. Notably, the current SWP system relies heavily on natural channels within the Delta to convey water and is extremely vulnerable to seismic events because most land in the central Delta has subsided well below sea level. If levees fail because of a seismic event, seawater intrusion from the western Delta could create salinity conditions that could require ceasing diversions from the SWP's current point of diversion in the south Delta. The capability of the DCP to continue operations would improve the ability of SWP Delta facilities to function after a seismic event by operating diversion facilities north of existing SWP facilities. The operations of the DCP would allow continued water supply diversions should south Delta export facilities become inoperable.

The DCP cannot proceed without the Pre-Construction Work, and the DCP would allow continued water deliveries to the District and operational flexibility in the event of a catastrophic levee failure from seismic activity that could temporarily disrupt water supply or affect water quality.

3. **The DCP, which cannot be developed without the Pre-Construction Work, would restore and protect the reliability of SWP Water Deliveries South of the Delta by addressing reasonably foreseeable consequences of climate change and extreme weather events.** The DCP is part of the State of California's strategy to adapt the SWP water supply to climate change. As described in the Final EIR certified for the DCP, Volume 1, Chapter 30, *Climate Change*, projected future conditions under climate change, such as higher average temperature and more extreme variability in annual precipitation patterns, is anticipated to further diminish overall water supply and reliability of any SWP water delivery to the District. Climate change is already taking a toll on California's water supplies in the form of more frequent and more severe droughts. A warmer atmosphere would modify precipitation and runoff patterns and affect extreme hydrologic events like floods and droughts. It is anticipated that droughts would increase in severity and duration, resulting in periods of critical dryness, further reducing Delta inflows during these dry periods. At the same time, associated increases in the frequency and severity of flashy storms in the cool season could increase high-flow events and flood risk in the Delta. These trends point to the need for alternate methods of water diversion and conveyance to effectively respond to changing water flow regimes under future climate change. In this context, the District considers capture and conveyance in the Delta as important potential adaptations in protecting the SWP from future climatic change and mitigating system losses due to changing precipitation patterns and seasonal runoff. Having alternative points of diversion in the north Delta would increase resiliency in managing combined effects of sea level rise, including potential impacts on Delta morphology, and changes to timing and quantity of seasonal runoff. As water demand and supply challenges continue to increase, the DCP is designed to enhance resilience to climate change impacts

and ensure that safe and reliable any SWP water deliveries to the District continue far into the future (California Department of Water Resources 2023b).

4. **The DCP, which cannot be developed without the Pre-Construction Work, would restore and protect the reliability of State Water Project Water Deliveries South of the Delta by addressing sea level rise.** The DCP would protect any SWP water supplies the District may receive by facilitating adaptation to sea level rise and potential changes in hydrologic conditions associated with climate change. As described in Final EIR, Volume 1, Appendix 6A, *Water Supply 2040 Analysis*, the DCP would improve SWP water supply reliability under current and future conditions, including extreme high sea level rise. As the District relies on SWP water supply, the Pre-Construction Work, and the DCP that it would enable, would provide significant benefits to the District.
5. **The Pre-Construction Work is necessary to obtain a more accurate cost estimate in relation to prudent financial planning and decision making of the District.** The ultimate financial costs of the DCP are continuing to be refined as feasibility, planning, and design evolve. Until more information is known regarding the precise construction techniques, unique localized conditions that may increase construction costs, and potential schedule for any future construction, the financial cost of the DCP will continue to evolve. The District wishes to better confirm the ultimately anticipated DCP costs, in order to allow for better disclosure to its customers and in considering future financial planning efforts. The Pre-Construction Work is necessary to achieve those ends.

Through this Statement of Overriding Considerations, and based on the substantial evidence in the administrative record, the District's Board of Directors has weighed the Pre-Construction Work's benefits against its environmental impacts and finds that the Pre-Construction Work's potentially significant and unavoidable environmental impacts are "acceptable" in light of the environmental, economic, legal, social, technological, and/or other considerations set forth herein, and that each benefit of the Pre-Construction Work outweighs, both individually and collectively, the potentially significant and unavoidable environmental impacts.

ATTACHMENT "D"

2026 and 2027 Pre-Construction Planning Funds Request

Member Unit	Table 1 (AF)	Total Planning Costs if Fully Participate (\$)	Elected Table 1 Participation* (%)	Elected Table 1 Participation* (AF)	2026	2027	Total
9.8% Belridge Water Storage District	121,508	\$ 8,986,824	35.00%	42,528	\$ 1,258,155	\$ 1,887,233	\$ 3,145,388
10.7% Berrenda Mesa Water District	92,600	\$ 6,848,766	50.00%	46,300	\$ 1,369,753	\$ 2,054,630	\$ 3,424,383
4.9% Buena Vista Water Storage District	21,300	\$ 1,575,364	100.00%	21,300	\$ 630,146	\$ 945,218	\$ 1,575,364
1.8% Cawelo Water District	38,200	\$ 2,825,301	20.00%	7,640	\$ 226,024	\$ 339,036	\$ 565,060
0.0% Henry Miller Water District	35,500	\$ 2,625,607	0.00%	-	\$ -	\$ -	\$ -
19.1% Improvement District No. 4	82,946	\$ 6,134,749	100.00%	82,946	\$ 2,453,900	\$ 3,680,849	\$ 6,134,749
0.0% Kern County Water Agency	8,000	\$ 591,686	0.00%	-	\$ -	\$ -	\$ -
0.0% Kern Delta Water District	25,500	\$ 1,885,999	0.00%	-	\$ -	\$ -	\$ -
13.7% Lost Hills Water District	119,110	\$ 8,809,466	50.00%	59,555	\$ 1,761,893	\$ 2,642,840	\$ 4,404,733
6.9% Rosedale Rio-Bravo Water Storage District	29,900	\$ 2,211,427	100.00%	29,900	\$ 884,571	\$ 1,326,856	\$ 2,211,427
7.1% Semitropic Water Storage District	155,000	\$ 11,463,918	20.00%	31,000	\$ 917,113	\$ 1,375,670	\$ 2,292,784
4.4% Tehachapi-Cummings County Water District	19,300	\$ 1,427,443	100.00%	19,300	\$ 570,977	\$ 856,466	\$ 1,427,443
1.2% Tejon Castac Water District	5,278	\$ 390,365	100.00%	5,278	\$ 156,146	\$ 234,219	\$ 390,365
5.8% West Kern Water District	31,500	\$ 2,329,764	79.37%	25,000	\$ 739,616	\$ 1,109,424	\$ 1,849,040
14.5% Wheeler Ridge-Maricopa Water Storage District	197,088	\$ 14,576,778	32.00%	63,070	\$ 1,865,868	\$ 2,798,803	\$ 4,664,671
TOTAL	982,730	\$ 72,683,457	44.14%	433,817	\$ 12,834,163	\$ 19,251,244	\$ 32,085,407

* Elected Participation is based on responses from Member Units for the Planning Costs in 2020.

TCCWD Costs

2021	\$ 300,794
2022	\$ 293,458
2023	\$ 489,097
2024	\$ 538,006
2025	\$ -
2026	\$ 570,977
2027	\$ 856,466

Total to Date	2021-2025	\$ 1,621,355
Current Request	2026-2027	\$ 1,427,443
Total Cost Through Current Commitment	2021-2027	\$ 3,048,798

ATTACHMENT "E"

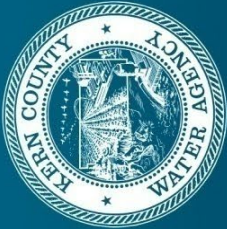
2026 and 2027 Pre-Construction Planning Funds Request

	DCP Funding Schedule		
	2026	2027	Total
Total Planning Costs	\$ 120,000,000	\$ 180,000,000	\$ 300,000,000
KCWA if 100% Participation	\$ 29,073,383	\$ 43,610,074	\$ 72,683,457
KCWA Elected Participationd (44.14%)	\$ 12,834,163	\$ 19,251,244	\$ 32,085,407
Cost/AF if 100% Participation	\$ 29.58	\$ 44.38	\$ 73.96

Total DCF Planning Costs (\$)	\$ 300,000,000
KCWA Share of DCF if Fully Participate (%)	24.2278%
KCWA Share of Planning Costs if Fully Participate (\$)	\$ 72,683,457
KCWA Share of DCF at Elected Participation (%)	10.6951%
KCWA Share of Planning Costs at Elected Participation (\$)	\$ 32,085,407

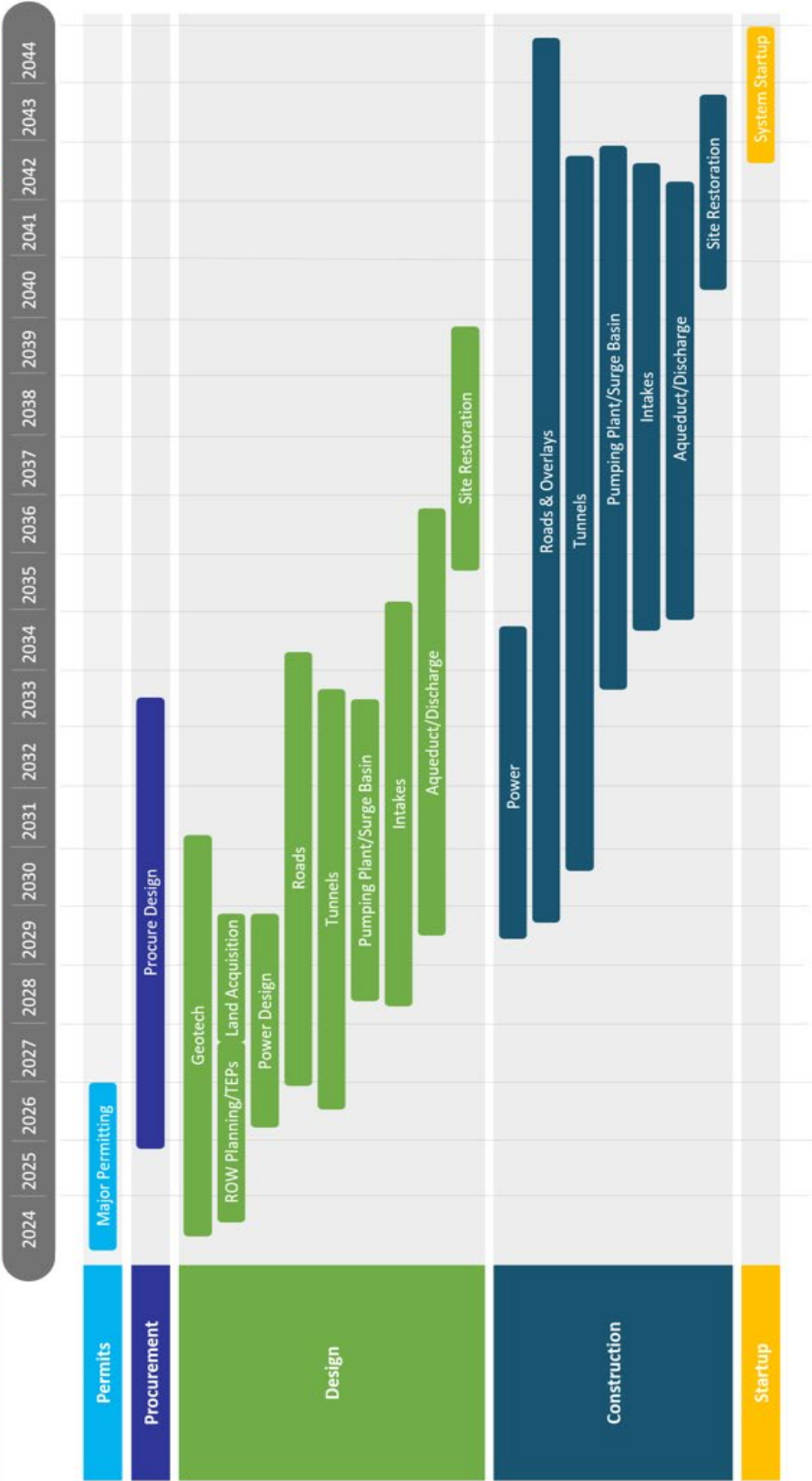
73.96
13.5327%

4,172,786



DCP Schedule

DCP Schedule Summary



Draft – Work in Progress; Subject to Change

ATTACHMENT "B"

AMENDMENT NO. 2 TO CONTRACT BETWEEN KERN COUNTY WATER AGENCY AND ITS MEMBER UNITS FOR PRELIMINARY PLANNING AND DESIGN COSTS RELATED TO A POTENTIAL DELTA CONVEYANCE PROJECT

This Amendment No. 2 to the Contract Between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project ("Amendment") is made by and between the KERN COUNTY WATER AGENCY ("Agency") on behalf of itself and its IMPROVEMENT DISTRICT NO. 4, and BELRIDGE WATER STORAGE DISTRICT, BERRENDA MESA WATER DISTRICT, BUENA VISTA WATER STORAGE DISTRICT, CAWELO WATER DISTRICT, KERN DELTA WATER DISTRICT, LOST HILLS WATER DISTRICT, ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT, SEMITROPIC WATER STORAGE DISTRICT on behalf of itself and its BUTTONWILLOW IMPROVEMENT DISTRICT and POND-POSO IMPROVEMENT DISTRICT, TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT, TEJON-CASTAC WATER DISTRICT, WEST KERN WATER DISTRICT AND WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT (each, a "Member Unit" and collectively, "Member Units"). The Agency and the Member Units are referred to individually as a "Party" and collectively as "Parties."

WHEREAS, the Agency and the State of California, Department of Water Resources ("Department" or "DWR") have entered into and subsequently amended a long-term water supply contract providing that DWR shall supply certain quantities of water to the Agency, providing that the Agency shall make certain payments to the Department, and setting forth the terms and conditions of such supply and payments ("Master Contract"); and

WHEREAS, the Agency and each Member Unit have entered into and subsequently amended a water supply contract, (the "Member Unit's Contract") wherein the Agency agreed to deliver a portion of the annual water supply it receives from the Department under the Master Contract, and in return the Member Unit agreed to annually pay the Agency a percentage of the Agency's obligation to pay the Department for that water; and

WHEREAS, on December 15, 2020 the Agency and the Member Units entered into the Contract Between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project ("MU Agreement") to provide the Agency's share of funding for the environmental review, planning and design of a potential Delta conveyance project ("DCP") for the first two years; and

WHEREAS, on January 6, 2021 the Agency entered into a funding agreement with the Department (the "DWR Funding Agreement") to pay for the Agency's share of

environmental review, planning and design costs associated with the potential DCP for the first two years, out of the four years of required funding; and

WHEREAS, on June 2, 2022, the Agency submitted a contribution letter to the Department indicating that the Agency's Board of Directors approved contributing funds for certain pre-construction work on the proposed project for calendar years 2023-2024, which monies have been conserved and were expended through 2025; and

WHEREAS, the Agency and the Member Units entered into Amendment No. 1 to the MU Agreement (the "First Amendment") with respect to the additional funding discussed in the preceding paragraph; and

WHEREAS, the Department is requesting each contractor who intends to participate in the potential DCP to provide additional funding for environmental review, planning, and design costs of the proposed project for 2026 and 2027; and

WHEREAS, based on feedback and conditional commitments from the Member Units, on July 23, 2026, the Agency's Board of Directors approved an additional contribution or advance of \$11,773,662 for pre-construction work on the potential DCP planned for calendar years 2026-2027; and

WHEREAS, the Agency has provided the Member Units with monthly updates on the environmental review, planning and design of a potential Delta conveyance project, including budget and progress updates when available as required by Article 5 of the Agreement; and

WHEREAS, prior to the Agency's submittal of a letter and Board resolution to the Department committing to provide any additional contributed funds for 2026 and 2027, the Agency has reviewed with the Member Units, as required by Article 5 of the Agreement, the progress of the potential DCP, including its environmental review, planning and design, to determine whether the Member Units will contribute additional funds; and

WHEREAS, in order for the Agency to be able to provide its remaining share of the funding for the environmental review, planning and design of a potential DCP, the Agency must receive additional funding from its Member Units.

NOW, THEREFORE, it is hereby mutually agreed by the Parties hereto as follows:

- I. The following subparagraph (a) is added to Article 1 - Definitions, to read as follows:

"(a) "Major Permits" means Biological Opinions from the U.S. Fish and Wildlife Service and National Marine Fisheries Service under the federal

Endangered Species Act; an Incidental Take Permit from the California Department of Fish and Wildlife under the California Endangered Species Act; an order from the State Water Resources Control Board (SWRCB) approving a change in points of diversion for the State Water Project's water rights under the California Water Code; and Delta Reform Act compliance, which includes a certification of consistency with the Delta Plan under the Delta Reform Act to be submitted to and, if appealed, adjudicated by the Delta Stewardship Council."

- II. The following sentence is added to the end of Article 2 – EFFECT OF AGREEMENT (the remainder of that article to remain unchanged):

"The funding provided by each Member Unit under this Agreement, as amended, relates to funding approved for work during the planning phase for calendar years 2026 and 2027, not any such Member Unit's participation in the construction, operation, maintenance and benefits of the Delta Conveyance Project. The purpose of this Agreement is not to establish or otherwise determine a Member Unit's right to the DCP or those benefits associated therewith."

- III. The following provision is added as a new subparagraph following the existing Article 4 – MEMBER UNIT'S FINANCIAL OBLIGATIONS:

"Notwithstanding the foregoing provisions of this Article 4, each Member Unit will be billed by the Agency for its proportionate share of costs based on the funding commitment specified on Exhibit B hereto. The billing will consist of two (2) rebills, with the first to be issued on or about December 1, 2026 for the 2026 charges, which shall be payable in two (2) installments of 60 percent due January 4, 2027 and 40 percent due July 1, 2027. The second rebill will occur in June 2027 for the 2027 payments and shall be payable in two installments of 60 percent due July 1, 2027 and 40 percent due January 4, 2028.

If the 2027 State Water Project Allocation percentage triggers the deferral process under Article 5, as set forth below, then each Member Unit and the Agency will identify the payment schedule based on this Agreement, including interest. Conversely, if the 2027 State Water Project Allocation percentage does not trigger the deferral process under Article 5, as set forth below, or a Member Unit elects not to defer payment, the Agency will rebill the Member Unit in June 2027 to include the full year of payments as specified above.

If a Member Unit is satisfied with applicable DCP conditions and if capacity for additional participation in the DCP is then available, a Member Unit may increase its level of participation in DCP as otherwise permitted under applicable agreements. The Agency will invoice each Member Unit for its annual contribution payment, as adjusted, in the manner specified above. The amount to be invoiced will not be revised if the Department issues a revised SWP water supply allocation on or after May 31st of the year. A portion of each Member Unit's annual contribution payable hereunder may be deferred at the election of the Member Unit depending upon the annual SWP water supply allocation forecast and the amount payable in such year correspondingly reduced ("Reduced Annual Contribution"); provided, however, that the amount deferred ("Deferred Amount") shall be due and payable to the Agency no later than July 1, 2029, and shall accrue interest at the State of California Surplus Money Investment Fund rate from July 1st of the applicable year until payment has been made by the Member Unit. The Member Unit shall provide the Agency at least 30 days advance notice of its election to pay any amount deferred under this Agreement.

If, in any year, the calculated "Cost per AF" is greater than \$55.00 ("First Formula"), then, for a Member Unit electing to pay any amount deferred under this Agreement, the Member Unit's annual contribution for that year shall be reduced ("Second Formula") and a portion deferred ("Third Formula").

Formula to determine if a reduction is in order (First Formula):

Annual Contribution / (Member Unit's Table 1 * SWP Allocation Percentage) = Cost per AF

Formula to determine the Member Unit's reduced annual contribution (Second Formula):

Reduced Annual Contribution = \$55 (Member Unit's Table 1 * SWP Allocation Percentage)

Formula to determine deferred amount (Third Formula):

Deferred Amount = Annual Contribution – Reduced Annual Contribution

provided that if DWR does not obtain all Major Permits on or before December 31, 2026, or if anything occurs that results in a material adverse change, individually or cumulatively, in the benefits or costs of the DCP relative to the 2024 Cost Estimate and 2024 Benefit-Cost Analysis, or the projected capital costs of the SWP, a Member Unit may request that the

Agency pause or adjust payments or terminate the DWR Funding Agreement in the Agency's sole discretion as follows:

If a Member Unit determines there has been a material adverse change, the Member Unit shall provide written notice to the Agency, the other Member Units, and DWR. The Agency, the Member Unit, and any other interested Member Units shall promptly meet and confer in good faith with one another to resolve the Member Unit's concern(s), as applicable. The Agency shall thereafter meet and confer with DWR. If, after meeting and conferring, DWR and the Agency are unable to reach agreement regarding how to address the Member Unit's concern(s) regarding delay in Major Permits or the material adverse change to the DCP to the satisfaction of the Member Unit who made said determination of material adverse change, then the Member Unit may, in its sole discretion, pause or adjust payments under or terminate participation in this Agreement, and in such event the effective date of the pause in payments, adjustment of payments, or termination shall be the date upon which the Member Unit provided the Agency and DWR with notice of determination of a material adverse change.

Upon such decision by the Member Unit, DWR, the Agency, other State Water Project contractors funding the 2026-2027 pre-construction work and the DCA shall enter into a written agreement or other instrument ("plan") to accommodate the Agency's pause in payments, adjustment of payments, or termination of the DWR Funding Agreement in a manner that ensures DWR's and the DCA's abilities to fund any outstanding contractual obligations and liabilities incurred prior to the pause or adjustment in funding or termination of this Agreement and the Agency will use its best efforts to ensure that pause or termination occurs as early as possibly in relation to the date upon which the Member Unit provided the Agency and DWR with notice of determination of a material adverse change; provided however that the Agency and the Member Units shall not be responsible for the funding of any new obligations and liabilities incurred by DWR and the DCA after the pause or adjustment in funding or termination of that Agreement, except as otherwise provided in the aforementioned plan if any such exception has been agreed to by the Member Unit(s) providing notice of intent to pause payments under or terminate their participation under this Agreement. In no instance shall any pause, adjustment, or termination by a Member Unit relieve that Member Unit from any obligation to pay for costs incurred prior to the good faith completion of the required consultation and delivery of subsequent written notice of pause, adjustment, or termination. No costs incurred or otherwise obligated prior to that time shall be shifted to other participants because of a Member Unit's pause, adjustment, or termination.

The Member Units agree that new actions or obligations may be needed to minimize DCA and DWR total obligations incurred prior to the pause in or adjustment in funding or termination of the DWR Funding Agreement or to facilitate an orderly termination or suspension of the work, and in either case so as to ensure their full payment and that such actions would facilitate an orderly pause or adjustment in funding or termination of that Agreement. The Agency will use its best efforts to ensure that any financial obligations to the Member Unit in connection with the pause or termination occurs as minimized to the greatest extent possible. All scheduled Agency payments to DWR, and corresponding Member Unit payments to the Agency, shall continue to be made for obligations and liabilities incurred prior to the pause or adjustment in funding or termination of the DWR Funding Agreement. If, under the plan, there are Agency contributed funds remaining in DWR's account after satisfying DWR's and the DCA's existing obligations and liabilities as well as those relating to such new actions or obligations, DWR shall refund that amount to the Agency and the Agency shall refund those monies to the Member Units in proportion to their prior payments.

If the process for pausing or adjusting funding under or terminating the DWR Funding Agreement requires the Agency to make additional payment(s) to DWR of contributed funds, the Agency shall make such payment(s) consistent with the negotiated plan and shall collect any unpaid amounts from the Member Units in proportion to their respective payment obligations.

Examples of events that may result in a material adverse change, individually or cumulatively, in a Member Unit's ability to participate in the DCP include, without limitation, Major Permit conditions that diminish the DCP's water supply benefits or that impose costly additional mitigation measures, delay in obtaining one or more Major Permits that incurs significant cost escalation, changes DWR makes to the DCP or the DCP Final Environmental Impact Report, adopted Findings, or the Statement of Overriding Considerations and Mitigation and Monitoring and Reporting Program in response to any court order in litigation, adoption of or amendment to the Water Quality Control Plan for the San Francisco Bay/Sacramento-San Joaquin Delta Estuary (Bay-Delta Plan) resulting in limits on SWP exports beyond those contemplated in the Agreements to Support Healthy Rivers and Landscapes (formerly known as the Voluntary Agreements), other conditions arise that materially impact the SWP's ability to convey DCP water, and discovery of new information by the DCA about soil or other conditions in the DCP alignment and project footprint that significantly increases the cost of construction.

In addition, if DWR is prohibited by court order from conducting any geotechnical work planned for calendar years 2026 or 2027, the Agency will meet and confer with DWR to revise the Pay-Go Charge such that the costs to

perform such work shall not be due until the court order enjoining such work is lifted and the Member Units' charges will be adjusted accordingly.

- IV. The following sentence is added to the end of Article 5 of the Agreement (the remainder of that article to remain unchanged):

“The Agency will promptly provide the Member Units with updated information the Agency receives from DWR regarding the status of the work and the DCP overall, including updated yield projections for the DCP and timelines for its implementation when DWR becomes aware of material changes concerning yield assumptions or regarding changes to the DCP timeline.”

- V. Exhibit B to the Contract Between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project dated December 15, 2020 is hereby replaced with the attached Exhibit B which has been updated to establish each participating Member Unit's share of the Agency's funding commitment for 2026 and 2027.

- VI. All other provisions of the Contract Between Kern County Water Agency and its Member Units for Preliminary Planning and Design Costs Related to a Potential Delta Conveyance Project dated December 15, 2020 shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date(s) set forth below.

KERN COUNTY WATER AGENCY
on behalf of itself and its IMPROVEMENT
DISTRICT NO. 4

Eric Averett, General Manager

Date

BELRIDGE WATER STORAGE DISTRICT

Justin Rowe, General Manager

Date

BERRENDA MESA WATER DISTRICT

Justin Rowe, General Manager

Date

BUENA VISTA WATER STORAGE DISTRICT

Tim Ashlock, Engineer-Manager

Date

CAWELO WATER DISTRICT

David Ansolabehere, General Manager

Date

KERN DELTA WATER DISTRICT

Steven Teglia, General Manager

Date

LOST HILLS WATER DISTRICT

Justin Rowe, General Manager

Date

ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT

Dan Bartel, Engineer-Manager

Date

SEMITROPIC WATER STORAGE DISTRICT on behalf of itself and its BUTTONWILLOW
IMPROVEMENT DISTRICT and POND-POSO IMPROVEMENT DISTRICT

Jason Gianquinto, General Manager

Date

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Tom Neisler, General Manager

Date

TEJON-CASTAC WATER DISTRICT

Angelica Martin, Secretary

Date

WEST KERN WATER DISTRICT

Greg Hammett, General Manager

Date

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT

Sheridan Nicholas, Engineer-Manager

Date

Delta Conveyance Project -- Planning and Design Costs		EXHIBIT B	
Kern County Water Agency			
Member Unit Participation (Maximum)			
	(1)	(2)	(3)
	Firm	DCP Participation	
	Table 1		
Member Unit	(af)	(af)	(%)
Belridge Water Storage District	121,508	7,290	6.0000%
Berrenda Mesa Water District	92,600	5,556	6.0000%
Buena Vista Water Storage District	21,300	213	1.0000%
Cawelo Water District	38,200	382	1.0000%
Henry Miller Water District	35,500	0	0.0000%
Improvement District No. 4	82,946	82,946	100.0000%
Kern County Water Agency	8,000	8,000	100.0000%
Kern Delta Water District	25,500	255	1.0000%
Lost Hills Water District	119,110	7,147	6.0000%
Rosedale-Rio Bravo Water Storage District	29,900	5,000	16.7200%
Semitropic Water Storage District	155,000	10,850	7.0000%
Tehachapi-Cummings County Water District	19,300	19,300	100.0000%
Tejon-Castac Water District	5,278	5,278	100.0000%
West Kern Water District	31,500	5,000	15.8700%
Wheeler Ridge-Maricopa Water Storage District	197,088	1,971	1.0000%
Total	982,730	159,188	16.1985%