

P.O. Box 1596 Patterson, CA 95363-1596

Phone (209) 892-4470 • Fax (209) 892-4469

SPECIAL MEETING OF THE BOARD OF DIRECTORS

Division I – WILLIAM KOSTER (Vice President)

Division II – DANIEL BAYS

Division III - PETER LUCICH

Division IV – ZACHARY MARING

Division V - KYLE PEREZ

Division VI – JAROD LARA

Division VII - JAMES JASPER

Wednesday April 5, 2023 4:00 PM

Members of the Public May Call In At 1-877-253-9698 Code 8924470

PROPOSED AGENDA

- CALL TO ORDER /INTRODUCTIONS
- II. OPPORTUNITY FOR PUBLIC COMMENT

 Members of the general public may address the Board. Please observe a time limit of two minutes.
- III. ADDITIONS/REVISIONS TO THE AGENDA

 The Agenda as posted may only be revised under certain limiting circumstances.
- IV. MANAGER'S REPORT May include updates on current water supply forecast, San Luis Reservoir fill and spill issues, and discussion on implementation of the District's Water Use Policy and Groundwater Well Metering Policy.

V. ACTION ITEMS

- A. Board to Review and Consider 2023-24 Irrigation Water Rate adjustment
- B. Board to Review and Consider Notice of Exemption for the Exchange of Rescheduled Water to Kern County Water Agency
- VI. Items to Discuss Pursuant to Government Code 54954.2

VII. ADJOURNMENT



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WATER USE POLICY

WHEREAS, it is the District's intent to serve and protect the agricultural water supply interests of its landowners; and

WHEREAS, the District is a member of the DM-II Groundwater Sustainability Agency (GSA), and the Sustainable Groundwater Management Act of 2014 requires GSA's to sustainably manage groundwater in all basins designated by the Department of Water Resources ("DWR") as a medium or high priority, including the Delta-Mendota Subbasin (designated basin number 5-22.07); and

WHEREAS, it is the District's responsibility to use all proper methods to accomplish the most reasonable and beneficial use of its water supplies; and

WHEREAS, the District strives to make surface water available at a reasonable cost in all water year types; and

WHEREAS, the District has an obligation to maximize the use of water supplies other than groundwater to limit the potential negative impacts resulting from groundwater overdraft.

NOW THEREFORE, the Board of Directors has adopted the following policy statements with regard to the use of District water supplies when available:

- 1. Infrastructure. Where surface water is available to a parcel and the parcel has a crop in production, requisite infrastructure will be perfected by the landowner/water user to convey surface water from the DMC to the parcel.
- <u>2. Water Use.</u> The District allocates several different types of surface water each year. These surface water types should be utilized prior to groundwater to limit drawing on the groundwater aquifer when surface water is available and to promote conjunctive use. The following shall become effective as of Water Year 2023-24:
 - a. NVRRWP allocations may not be turned back by a customer in the year allocated as long as the land associated with the allocation is in production. Exceptions may be granted by the District if there is sufficient CVP supply to utilize and on the condition that well water will not be used.
 - b. Customers shall be required to purchase all CVP water allocated to an account up to a 75% allocation. A wateruser may elect to reduce his/her Allocated Water supply for the current water year conditioned on a certification that groundwater will not be used in lieu of the reduced allocation.



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GROUNDWATER WELL METERING POLICY

WHEREAS, it is the District's intent to serve and protect the agricultural water supply interests of its landowners; and

WHEREAS, the District is a member of the DM-II Groundwater Sustainability Agency (GSA), and the Sustainable Groundwater Management Act (SGMA) of 2014 requires GSA's to sustainably manage groundwater in all basins designated by the Department of Water Resources ("DWR") as a medium or high priority, including the Delta-Mendota Subbasin (designated basin number 5-22.07); and

WHEREAS, it is the District's responsibility to use all proper methods to accomplish the most reasonable and beneficial use of its water supplies; and

WHEREAS, the District is required by SGMA to accurately track and submit groundwater extraction data within the District's boundaries on an annual basis; and

WHEREAS, the District is granted the authority to collect this data by California Water Code Sections 10725.2, 10725.6, and 10725.8.

NOW THEREFORE, the Board of Directors has adopted the following policy statements with regard to the collection and submittal of groundwater extraction data:

- 1. Registration. The owner of any Groundwater Well within the District's boundaries must register that Groundwater Well with the District.
 - a. Registration will include, but may not be limited to, the location of the well, the depth of the screens, the size of the bore hole, the size of the motor, and the current metering status.
 - b. Registration of existing Groundwater Wells must be completed within 270 days of adoption of this Policy on a written form provided by the District.
 - c. Registration must be updated in writing within thirty (30) days of change to an existing Groundwater Well.
 - d. A new Registration must be completed within thirty (30) days of construction of a new Groundwater Well.
- <u>2. Meter Requirement</u> The owner of every Groundwater Well within the District's boundaries must measure use of that Groundwater Well by a volumetric measuring device (Meter) satisfactory to the District.
 - a. Meters must be installed on all Groundwater Wells by January 1, 2023.

- b. Meters shall measure all flowrate in gallons per minute or cubic feet per second.
- c. Meters shall measure all total extractions in acre-feet.
- d. The District may accept other devices that measure flow rate and totalized volume, on a per case basis approved in writing prior to installation by the General Manager.
- 3. Access. The Meter shall be installed in a manner that makes it reasonably accessible for inspection, reading, and testing. District staff shall have the right to enter upon any property at all reasonable times to make inspections and tests for the purpose of enforcement and administration. The representative shall first present proper credentials and request entry. If the property is unoccupied, a reasonable effort will be made to locate the owner or other person having charge or control of same.
- <u>4. Costs.</u> All costs associated with the purchase and installation of the Meter shall be borne by the owner or operator of each Groundwater Well. The Meters shall be installed by the District or by the owner or operator of the Groundwater Well.
- <u>5. Semi-Annual Reporting.</u> The owner or operator of a Groundwater Well within DPWD's boundaries shall submit Meter Readings to the District on February 28/29, July 31, and September 30 of each year.
- 6. Maintenance. The owner of the Groundwater Well is responsible for maintaining the Meter, which includes proper servicing and calibration, as needed, by a qualified service person.
- 7. Exclusion. This Policy does not apply to De Minimis Extractors, defined by the SGMA as a person who extracts, for domestic purposes, two (2) acre-feet or less per year.

Adopted and Approved: May 18, 2022



San Luis & Delta-Mendota Water Authority

Revised WY23 O&M Rates

Using Member Projection of WY23 Deliveries, based on 80% Ag Allocation

WY 2023 Rate	'WY 2023 Rate	
3/1/23-2/28/24	3/1/23-2/28/24	
<u>Proforma</u>	Revised	
WY2023	WY2023	Variance
		×
80%	35%	45%
100%	75%	25%
100%	100%	0%
100%	100%	0%
· .		
\$13.65	\$15.91	(\$2.26)
\$13.09	\$15.21	(\$2.12)
\$16.05	\$18.34	(\$2.29)
\$15.49	\$17.64	(\$2.15)
\$13.68	\$21.42	(\$7.74)
\$24.56	\$38.63	(\$14.07)
\$31.94	\$50.30	(\$18.36)
\$29.14 🥌	\$29.14	\$0.00
\$0.23	\$0.36	(\$0.13)
	3/1/23-2/28/24 Proforma WY2023 80% 100% 100% \$13.65 \$13.09 \$16.05 \$15.49 \$13.68 \$24.56 \$31.94 \$29.14	3/1/23-2/28/24 Proforma Revised WY2023 WY2023 80% 35% 100% 75% 100% 100% 100% 100% \$13.65 \$15.91 \$13.09 \$15.21 \$16.05 \$18.34 \$15.49 \$17.64 \$13.68 \$21.42 \$24.56 \$38.63 \$31.94 \$50.30 \$29.14 \$29.14

2023-24 Water Rates

	Restoration Fund Rate (thru 9/30/23) (Final) Trinity Public Utilities District Assessment (Final) Rounding Profit/(Subsidy) of Basic Rate from Rate Stabilization Fund	Restoration Fund Rate (thru 9/30/23) (Fi	Authority O & M Rate Recommended by SLDMWA FAC 4.2.23	Bureau Cost of Service Rate (estimate per 2023 Ratebooks)	4.5.23 REVISED FINAL Component:
Estimated Cost by Supply Type		Estimate based on projected actual deliveries of all water types at a 80% CVP Ag Service Allocation, 100% M&I Alloction and 100% Allocation to Refuges and Exchange/Water Rights Contractors	USBR O&M Rate set using a 7-year historical average (36,973 AF) Ag Service Allocation for O & M		
€	\bigcap	6 69	↔	↔	
61.63		12.02 0.15	13.65	35.81	Ag
€		₩ ₩	₩	↔	
58.57		12.02 0.15	13.65	32.75	M&I

Current
approved Rate
\$ 68/AF

5701 Truxtun, Suite 201 Bakersfield, CA 93309

March 27, 2023

Anthea G. Hansen Del Puerto Water District P.O. Box 1596 Patterson, CA 95363

Re:

2023 Water Management Exchange Program

Dear Anthea:

The purpose of this letter is to establish the terms and conditions under which Homer LLC, a Delaware limited liability company (Homer), and Del Puerto Water District, a California water district (Del Puerto), collectively referred to herein "Parties", will enter into a balanced water management exchange program as described below. This letter agreement will commence on April 1, 2023 (Effective Date) and will expire on December 31, 2023 (Termination Date). If the Parties have not executed this letter agreement ten days before the Effective Date, then any offer made regarding this transaction and the water described below will be deemed revoked, and any understanding or agreement between Homer and Del Puerto related to the exchange will terminate and be of no force or effect.

<u>Description of Water Supplies.</u> Del Puerto has water stored in San Luis Reservoir (**Rescheduled Water**) that it desires to deliver prior to July 1, 2023 to avoid spill and loss of that water. As part of its long-term water management program with Lower-Tule River Irrigation District & Pixley Irrigation District, Homer has access to water from the Cross Valley Unit of the Central Valley Project ("CVP Water").

Capacity Exchange Program. Beginning April 1, 2023, Del Puerto shall make available to Homer up to seven thousand (7,000) acre-feet (AF) of its Rescheduled Water for delivery to Homer (Exchange Water). The final amount of Rescheduled Water made available to Homer shall be in Del Puerto's sole discretion. The final amount of Rescheduled Water accepted by Homer shall be subject to Homer's available recharge capacity. For every AF of Del Puerto's Rescheduled Water delivered to Homer, Homer shall make a like amount of CVP Water available to Del Puerto (Return Water).

<u>Points of Delivery</u>. The delivery of water by Del Puerto to Homer under this program will be to the Kern County Water Agency (KCWA) service area (Homer Point of Delivery). The return of water by Homer to Del Puerto under this program will be in San Luis Reservoir (Del Puerto Point of Delivery). The Parties may mutually agree to modify the points of delivery identified herein.



Approval & Scheduling of Exchange Capacity. Homer & Del Puerto shall each use best efforts to secure the necessary approvals to implement this program. Once Del Puerto and Homer have secured the necessary approvals, they shall coordinate and schedule delivery of their respective water supplies through the necessary entities, including but not limited to the Bureau of Reclamation (Reclamation), Department of Water Resources (DWR), KCWA, and the appropriate member units of the KCWA.

Timing of Exchange. Del Puerto shall deliver its Exchange Water to Homer prior to July 1, 2023. Del Puerto shall notify Homer of the final amount of exchange water delivered by July 10, 2023 (Exchange Volume). Homer shall have until December 31, 2023 to deliver the Exchange Volume to Del Puerto. In the event Homer is unable to return the total Exchange Volume to Del Puerto by December 31, 2023, the Parties shall meet and confer to develop a schedule for the return of the remaining balance within calendar year 2024.

<u>Fees and Costs of Recovery and Delivery</u>. Each of the Parties will be solely responsible for, and shall pay when due, any fees and costs required to deliver their respective water supplies to the Point(s) of Delivery identified herein.

Governmental Compliance and Approvals. Homer and Del Puerto will cooperate to investigate and comply with all governmental policies and regulations, and obtain any necessary approvals, that are required to transfer all water under this letter agreement and implement its provisions.

Indemnification of Homer by Del Puerto. Without limiting any other provision of this letter agreement, Del Puerto shall indemnify, reimburse, defend and hold harmless Homer from and against any and all costs, losses, liabilities, damages, lawsuits, deficiencies, claims and expenses (including attorney's fees and costs) incurred in connection with, arising out of, resulting from or incident to performance of this letter agreement arising from the delivery of Return Water to Del Puerto. This indemnification will not apply, however to the extent any of these costs result from Homer's gross negligence, willful misconduct, or breach of contract.

Indemnification of Del Puerto by Homer. Without limiting any other provision of this letter agreement, Homer shall indemnify, reimburse, defend and hold harmless Del Puerto from and against any and all costs, losses, liabilities, damages, lawsuits, deficiencies, claims and expenses (including attorney's fees and costs) incurred in connection with, arising out of, resulting from or incident to performance of this letter agreement arising from the delivery of Exchange Water to Homer. This indemnification will not apply, however, to the extent any of these costs result from Del Puerto's gross negligence, willful misconduct, or breach of contract.

<u>Liability for Quality and Distribution of Water</u>. Neither Party will be liable or responsible for the quality, control, carriage, handling, use, disposal or distribution of their respective water supplies to the Point of Delivery. Del Puerto will not be liable or responsible for the quality, control, carriage, handling, use, disposal or distribution of Return Water downstream of its point of delivery.



No Effect on Homer's Water Rights or Dedication to Public Use. Nothing in this letter agreement will be deemed to impair, limit or cause a severance of any water rights appurtenant to, associated with or otherwise benefiting the Parties. The provisions of this letter agreement apply to this transaction only, and do not establish a precedent as to any future water sales, exchanges or transfers, or the terms and conditions applicable to any future transaction. Additionally, the provisions of this letter agreement apply to this transaction only, and do not establish a precedent as to any future water sales or transfers, or the terms and conditions applicable to any future transaction.

<u>Further Action</u>. Homer and Del Puerto shall each take further action and execute and deliver whatever additional documents may be reasonably required to effectuate the provisions of this letter agreement. Neither Homer nor Del Puerto may assign, delegate or otherwise transfer any of its rights or obligations under this letter agreement without the prior written consent of the other.

<u>Notices</u>. Unless otherwise indicated, any notice to be given or payment to be made by Homer or Del Puerto shall be either personally delivered, delivered by overnight courier service, by electronic mail, or deposited in the United States mail to the following addresses:

Homer LLC 5701 Truxtun, Suite 201 Bakersfield, CA 93309 Attn: Eric Averett eaverett@renewablegroup.com Del Puerto Water District P.O. Box 1596 Patterson, CA 95363 Attn: Anthea G. Hansen ahansen@delpuertowd.org

Miscellaneous Provisions. This letter agreement (a) is the final and complete expression of the agreement between Homer and Del Puerto regarding its subject matter and may not be contradicted by evidence of any prior or contemporaneous oral or written agreement or representation, (b) may not be amended, nor may any of its provisions be waived, except by an instrument in writing signed by both Homer and Del Puerto, (c) will be construed according to the laws of the State of California, and (d) has been jointly negotiated and drafted, and Civil Code section 1654 will not apply in its interpretation. Nothing in this letter agreement is intended to or may be construed to (a) establish a partnership, joint venture, business association or other entity between the Homer and Del Puerto, or (b) constitute any party the agent of any other party.

Agreement and Signatures. By the endorsements below, Homer and Del Puerto agree to be bound by the provisions of this letter agreement.

HOMER, LLC	DEL PUERTO WATER DISTRICT
By: _ Tric Averett	By: anthea Collansen
Name: Eric Averett	Name: Anthea G Hansen
Title: CEO	Title: General Manager

Notice of Exemption

То: 🗆	Office of Planning and Research P.O. Box 3044 Sacramento, CA 95812	From: (Public Agency): Del Puerto Water District P.O. Box 1596, Patterson CA 95363
	County Clerk-Recorder County of Stanislaus 1021 I Street, Suite 101	(Address)
	Modesto, CA 95354	•

Project Title: Stored Water Exchange with Kern County Water Agency

Project Location - Specific: Stanislaus County/Kern County

Description of Nature, Purpose, and Beneficiaries of Project: Del Puerto Water District (DPWD) is a Central Valley Project (CVP) Contractor located on the west side of the San Joaquin Valley, south of the Sacramento-San Joaquin River Delta (Delta). DPWD's water supplies have been reduced in recent years because of regulatory limitations and adverse hydrologic conditions. As a result, DPWD aggressively pursues additional supplies for their agricultural customers in Stanislaus County. DPWD has stored water supplies at risk of "spill" from San Luis Reservoir.

Kern County Water Agency (KCWA) is a contractor within the State Water Project (SWP), and has member unit agencies which have the capability to beneficially use or otherwise store water transferred from CVP contracting agencies. KCWA has agreed accept a transfer of up to 7,000 acre-feet of DPWD stored water in the months April and May 2023. The water would be released from San Luis Reservoir and conveyed through the California Aqueduct to turnouts within the boundaries of the Kern County Water Agency. A like amount of CVP water is to be returned to DPWD via the Delta-Mendota Canal between July 1, 2023 and December 31, 2023.

The Project would utilize existing facilities and no new infrastructure, modifications of facilities, or ground disturbing activities would be needed for movement of this water. No native or untilled land (fallow for three years or more) would be cultivated with water involved with the Project. The Project would require the execution of agreements with the agencies involved. Long-term environmental coverage under NEPA for both the storage of CVP supplies within the KCWA recharge facilities and the return of CVP supplies to DPWD are perfected.

Name of Public Agency Approving Project: Del Puerto Water District

Name of Person or Agency Carrying Out Project: Del Puerto Water District

Ex	kempt Status: (check one)
	Ministerial (Sec. 21080(b)(1); 15268);
	Declared Emergency (Sec. 21080(b)(3); 15269(a));
	Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
	x Categorical Exemption. State type and section number: Class 1, Section 15301

- x Statutory Exemptions. State code number: Section 15378(b).
- \times The "common sense" exemption: Section 15061(b)(3)

Reasons why project is exempt: The project does not involve the construction or alteration of any facilities or any increase in existing water or energy use. The project is not subject to CEQA because changing the transfer of up to 7,000 acre-feet will not cause a direct or reasonably foreseeable indirect potentially significant or other physical change to the environment (e.g., CEQA Guidelines § 15378(b)), or, if subject to CEQA, the project is exempt for several reasons, including: (a) Because it can be seen with certainty that there is no possibility that the Project may have a significant effect on the environment (CEQA Guidelines § 15061(b)(3)); and/or (b) Because the project involves operation of existing public water-related facilities resulting in negligible or no expansion of use, therefore the Class 1 exemption applies (CEQA Guidelines § 15301).

Lead Agency

Contact Person: Anthea G. Hansen, Ge Area Code/Telephone/Extension: (209) 89	eneral Manager 02-4470		
If filed by applicant: 1. Attach certified document of exemption 2. Has a Notice of Exemption been filed by		y approving the project?	□ Yes □ No
Signature:	Date:	Title:	
□ Signed by Lead Agency	Date re	ceived for filing at OPR:	
□ Signed by Applicant			