

**DEPARTMENT OF WATER RESOURCES**

1416 NINTH STREET, P.O. BOX 942836  
SACRAMENTO, CA 94236-0001  
(916) 653-5791



**AUG 21 2013**

Mr. Mark Gilkey  
General Manager  
Tulare Lake Basin Water Storage District  
1001 Chase Avenue  
Corcoran, California 93212-2333

Dear Mr. Gilkey:

Enclosed for your records is an executed original of Amendment No. 35 to the Water Supply Contract between the State of California Department of Water Resources and Tulare Lake Basin Water Storage District (SWPAO #13007).

The Amendment provides for a permanent decrease and transfer of 1,451 acre-feet of Tulare Lake Basin Water Storage District's State Water Project Table A water, effective January 1, 2014, to Antelope Valley-East Kern Water Agency and sets forth the conditions for this transfer.

If you have any questions or need additional information, please contact me at (916) 653-4313, or Craig Trombly of my staff at (916) 653-4547.

Sincerely,

A handwritten signature in black ink that reads "Robert B. Cooke".

Robert B. Cooke, Chief  
State Water Project Analysis Office

Enclosures

cc: Mr. Terry Erlewine  
General Manager  
State Water Contractors  
1121 L Street, Suite 1050  
Sacramento, California 95814-3944

Mr. Mark Gilkey, General Manager

**AUG 21 2013**

Page 2

bcc: D. Paulson, dpaulson@water.ca.gov  
R. Corbett, rcorbett@water.ca.gov  
R. Bitner, rbitner@water.ca.gov  
D. Roose, droose@water.ca.gov  
L. Toms, ltoms@water.ca.gov  
T. Pettit, tracy.pettit@water.ca.gov  
J. Metcalf, jennifer.metcalf@water.ca.gov  
B. Duecker, bonnie.duecker@water.ca.gov

JMaroney:KPham

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STATE OF CALIFORNIA  
CALIFORNIA NATURAL RESOURCES AGENCY  
DEPARTMENT OF WATER RESOURCES

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AMENDMENT NO. 35 TO THE WATER SUPPLY CONTRACT  
BETWEEN  
THE STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES  
AND  
TULARE LAKE BASIN WATER STORAGE DISTRICT

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THIS AMENDMENT to the Water Supply Contract is made this 21<sup>st</sup> day of August, 20 13, pursuant to the provisions of the California Water Resources Development Bond Act, and other applicable laws of the State of California, between the Department of Water Resources of the State of California (DWR) and Tulare Lake Basin Water Storage District (TLBWSD). DWR and TLBWSD may be referred to individually by name as "Party" or collectively as "Parties."

RECITALS

- A. The Parties have entered into and subsequently amended a long-term Water Supply Contract (TLBWSD Water Supply Contract), providing that DWR will supply certain quantities of water to TLBWSD, and providing that TLBWSD shall make certain payments to DWR, and setting forth the terms and conditions of such supply and such payments.
- B. Antelope Valley-East Kern Water Agency (AVEK) and DWR have entered into and subsequently amended a long-term Water Supply Contract (AVEK Water Supply Contract), providing that DWR will supply certain quantities of water to AVEK, and providing that AVEK shall make certain payments to DWR, and setting forth the terms and conditions of such supply and such payments.
- C. Various landowners within TLBWSD have entered into an agreement with Tejon Ranchcorp (Tejon), an AVEK customer, for purchase of a portion of TLBWSD's State Water Project (SWP) supplies. TLBWSD has requested to DWR that a total of 1,451 acre-feet of TLBWSD's Table A SWP supplies from Reach 8D be permanently transferred to AVEK beginning January 1, 2014.
- D. The Parties wish to set forth their agreement as to (i) the 1,451 acre-feet decrease in TLBWSD's annual Table A amounts, (ii) the transfer of related repayment obligations, and (iii) the revision of Proportionate Use of Facilities factors set forth in TLBWSD's Water Supply Contract.
- E. DWR and AVEK are simultaneously, with the execution and delivery of this Amendment, entering into Amendment No. 24 to AVEK's Water Supply Contract in order to reflect (i) the transfer of annual Table A amounts described herein, (ii) the transfer of related repayment obligations, (iii) the delivery priority for the permanently transferred Table A amounts, and (iv) the revision of Proportionate Use of Facilities factors.
- F. In compliance with the California Environmental Quality Act (CEQA), AVEK, as lead agency, filed a Negative Declaration with the State Clearinghouse on November 7, 2012 (SCH #2012111020). DWR, as a responsible agency, has reviewed and considered the above documents prior to approving this Amendment.
- G. In accordance with Notice to State Water Project Contractors Number 03-10, a public meeting was held on May 14, 2013 to negotiate the proposed two Water Supply Contract amendments.
- H. DWR is willing to approve the permanent transfer of Table A amounts in accordance with the terms of this Amendment.

**NOW, THEREFORE, the Parties agree:**

- 1. Article 12(c) of TLBWSD's Water Supply Contract is amended to read as follows:  
In no event shall DWR be obligated to deliver water to TLBWSD through all delivery structures at a total combined instantaneous rate of flow exceeding 261 cubic feet per second from January 1, 2014 and each succeeding year thereafter for the term of TLBWSD's Water Supply Contract, except as this rate of flow may be revised by amendment of this article after submission to DWR of TLBWSD's requests with respect to maximum flow capacities to be provided through all delivery structures, pursuant to Article 10.**
  
- 2. Article 45(p) of TLBWSD's Water Supply Contract is added to read:  
In accordance with TLBWSD's Water Supply Contract, TLBWSD is decreasing its annual Table A amounts by 1,451 acre-feet from Reach 8D beginning in the year 2014 and each succeeding year thereafter for the term of TLBWSD's Water Supply Contract. As a result of this transfer, Table A as designated in Article 6 is amended as follows:**

**TABLE A**  
**ANNUAL AMOUNTS**  
**TULARE LAKE BASIN WATER STORAGE DISTRICT**

<u>Year</u>	<u>Acre-Feet</u>
1 (1968)	12,250
2 (1969)	46,350
3 (1970)	34,300
4 (1971)	36,500
5 (1972)	112,600
6 (1973)	43,552
7 (1974)	72,289
8 (1975)	86,258
9 (1976)	61,707
10 (1977)	59,000
11 (1978)	63,300
12 (1979)	71,241
13 (1980)	71,700
14 (1981)	76,000
15 (1982)	80,200
16 (1983)	9,548
17 (1984)	62,611
18 (1985)	45,549
19 (1986)	97,200
20 (1987)	101,400
21 (1988)	105,600
22 (1989)	109,900
23 (1990)	118,500
24 (1991)	118,500
25 (1992)	118,500
26 (1993)	118,500
27 (1994)	118,500
28 (1995)	118,500
29 (1996)	118,500
30 (1997)	118,500
31 (1998)	118,500
32 (1999)	118,500
33 (2000)	118,500
34 (2001)	118,500
35 (2002)	111,527
36 (2003)	111,527
37-38 (2004-2005)	96,227
39-42 (2006-2009)	95,922
43-46 (2010-2013)	88,922
47 (2014)	87,471

And each succeeding year thereafter,  
for the term of this contract: **87,471**

In any year, the amounts designated in this Table A shall not be interpreted to mean that DWR is able to deliver those amounts in all years. Article 58 describes DWR's process for providing current information for project delivery capability.


3. Reductions in TLBWSD's Delta Water Charge, the Transportation Charges, and the Water System Revenue Bond Surcharge resulting from the decrease in TLBWSD's annual Table A amounts for the year 2014 and each year thereafter shall commence January 1, 2014, and be identified by DWR and included in future annual Statements of Charges to TLBWSD.
4. Any over and under adjustments to payments made by TLBWSD for 2013 and prior years attributable to the 1,451 acre-feet of annual Table A amounts transferred on January 1, 2014 shall be paid by or credited to TLBWSD, including refunds or credits for Off-Aqueduct and Water System Revenue Bond reserves. Any over and under adjustments to payments made by AVEK for 2014 and future years attributable to the 1,451 acre-feet of annual Table A amounts transferred on January 1, 2014 shall be paid by or credited to AVEK.
5. For cost allocation and repayment purposes, the attached Exhibit A shows Table A amounts and capacity values for each aqueduct reach in which TLBWSD participates consistent with the limits of Articles 12(b) and 12(c). These redetermined values shall be used to derive the proportionate use of facilities factors as set forth in Table B as designated in Article 24(b). The capacity amounts shown in Exhibit A are estimated values. Actual values will be used by DWR in implementing the terms of this Amendment and in redetermination of Table B of TLBWSD's Water Supply Contract under Article 28.
6. TLBWSD acknowledges that this transfer is not conditioned on the Monterey Amendment being in effect. TLBWSD further acknowledges that the allocation of water is different under pre-Monterey conditions, and that the availability of water associated with the permanent water transfer would, in certain years, be materially different if DWR allocated available water supply based on pre-Monterey conditions. Recognizing the foregoing, DWR shall treat and allocate the water associated with the transfer of this 1,451 acre-feet of annual Table A amounts in the same manner as TLBWSD's other annual Table A amounts.
7. This Amendment is contingent upon the effectiveness of the Water Supply Contract Amendment No. 24 between DWR and AVEK. If either amendment ceases to be effective for any reason, TLBWSD agrees that DWR may, at its discretion and consistent with the law then in effect as determined by DWR, and after meeting and conferring with TLBWSD, identify the date on which this Amendment shall be deemed inoperative for the purpose of assuring timely repayment of contract obligations and orderly administration of TLBWSD's and AVEK's Water Supply Contracts.

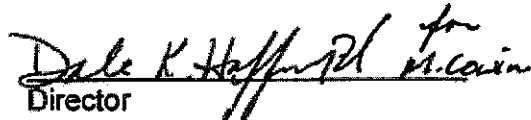
8. TLBWSD agrees to defend and hold DWR, its officers and employees, jointly and severally, harmless from any direct or indirect loss, liability, lawsuit, cause of action, judgment or claim, and shall indemnify DWR, its officers and employees, jointly and severally, for all lawsuits, costs, damages, judgments, attorney fees, and liabilities that DWR, its officers and employees incur as a result of DWR providing services under this Amendment, except to the extent resulting from sole negligence or willful misconduct of DWR.
9. This Amendment shall not be used as a precedent for future agreements or DWR activities.
10. Except as amended herein, all other provisions of TLBWSD's Water Supply Contract will remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on the date first above written.

Approved as to legal form  
and sufficiency:

State of California  
Department of Water Resources

  
\_\_\_\_\_  
Chief Counsel  
Department of Water Resources

  
\_\_\_\_\_  
Director

Date Aug 9, 2013

Date 8/21/13

TULARE LAKE BASIN WATER STORAGE DISTRICT

  
\_\_\_\_\_  
Signature

GENERAL MANAGER  
\_\_\_\_\_  
Title

Date 7/2/2013



**EXHIBIT A**

**TULARE LAKE BASIN WATER STORAGE DISTRICT  
ANNUAL TABLE A AND CAPACITY VALUES FOR EACH REACH  
FOR COST ALLOCATION AND REPAYMENT PURPOSES (a)  
EFFECTIVE JANUARY 1, 2014 THRU DECEMBER 31, 2035**

The values related to this transfer are estimated to be as follows:

Repayment Reach (b)	Before Transfer		Table A Transferred to AVEK (AF)	Capacity Transferred to AVEK (c) (cfs)	After Transfer	
	Table A Capacity (AF)	Flow Capacity (cfs)			Total Table A Capacity (AF)	Total Flow Capacity (cfs)
<b>California Aqueduct</b>						
Reach 1	88,922	265	1,451	4	87,471	261
Reach 2A	88,922	265	1,451	4	87,471	261
Reach 2B	88,922	265	1,451	4	87,471	261
Reach 3	88,922	265	1,451	4	87,471	261
Reach 4	88,922	265	1,451	4	87,471	261
Reach 5	88,922	265	1,451	4	87,471	261
Reach 6	88,922	265	1,451	4	87,471	261
Reach 7	88,922	265	1,451	4	87,471	261
Reach 8C	88,922	265	1,451	4	87,471	261
Reach 8D	27,872	83	1,451	4	26,421	79

- a) Does not include capacity for outages and losses.
- b) These numbers apply to the reaches as set forth in Bulletin 132, Figure B-4, "Repayment Reaches and Descriptions: Project Transportation Facilities."
- c) Transferred flow capacity of 18% monthly peaking.

State Water Project Analysis Office  
March 4, 2013

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Sincerely,

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Robert B. Cooke, Chief  
State Water Project Analysis Office

Enclosures

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J. Metcalf, jennifer.metcalf@water.ca.gov  
B. Duecker, bonnie.duecker@water.ca.gov

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