

DEPARTMENT OF WATER RESOURCES

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



AUG 21 2013

Mr. Dale Melville
Manager-Engineer
Dudley Ridge Water District
286 West Cromwell Avenue
Fresno, California 93711-6162

Dear Mr. Melville:

Enclosed for your records is an executed original of Amendment No. 27 to the Water Supply Contract between the State of California Department of Water Resources and Dudley Ridge Water District (SWPAO #13006).

The Amendment provides for a permanent decrease and transfer of 1,993 acre-feet of Dudley Ridge Water 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 cursive script 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. Dale Melville, Manager-Engineer

AUG 21 2013

Page 2

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CCTS: 3416

STATE OF CALIFORNIA
CALIFORNIA NATURAL RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES

AMENDMENT NO. 27 TO THE WATER SUPPLY CONTRACT
BETWEEN
THE STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES
AND
DUDLEY RIDGE WATER DISTRICT

THIS AMENDMENT to the Water Supply Contract is made this 21st day of August, 2013, 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 Dudley Ridge Water District (DRWD). DWR and DRWD 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 (DRWD Water Supply Contract), providing that DWR will supply certain quantities of water to DRWD, and providing that DRWD 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 DRWD have entered into an agreement with Tejon Ranchcorp (Tejon), an AVEK customer, for purchase of a portion of DRWD's State Water Project (SWP) supplies. DRWD has requested to DWR that a total of 1,993 acre-feet of DRWD'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 1,993 acre-feet decrease in DRWD'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 DRWD's Water Supply Contract.
- E. DWR and AVEK are simultaneously, with the execution and delivery of this Amendment, entering into Amendment No. 23 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 DRWD's Water Supply Contract is amended to read as follows:
In no event shall DWR be obligated to deliver water to DRWD through all delivery structures at a total combined instantaneous rate of flow exceeding:
 - a. 144 cubic feet per second (cfs) from January 1, 2014 through December 31, 2014,
 - b. 135 cfs from January 1, 2015 through December 31, 2019, and
 - c. 123 cfs from January 1, 2020 and each succeeding year thereafter for the term of DRWD's Water Supply Contract, except as this rate of flow may be revised by amendment of this article after submission to DWR of DRWD's requests with respect to maximum flow capacities to be provided through all delivery structures, pursuant to Article 10.

2. Article 45(h) of DRWD's Water Supply Contract is added to read:
In accordance with DRWD's Water Supply Contract, DRWD is decreasing its annual Table A amounts by 1,993 acre-feet from Reach 8D beginning in the year 2014 and each succeeding year thereafter for the term of DRWD'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
DUDLEY RIDGE WATER DISTRICT

	<u>Year</u>	<u>Acre-Feet</u>
1	(1968)	14,300
2	(1969)	14,325
3	(1970)	15,700
4	(1971)	17,900
5	(1972)	20,000
6	(1973)	22,000
7	(1974)	33,390
8	(1975)	40,555
9	(1976)	30,921
10	(1977)	30,400
11	(1978)	32,500
12	(1979)	38,544
13-15	(1980-1982)	41,000
16	(1983)	42,900
17	(1984)	45,100
18	(1985)	47,200
19	(1986)	49,300
20	(1987)	51,400
21	(1988)	53,500
22	(1989)	55,600
23	(1990)	28,850
24	(1991)	53,411
25	(1992)	57,700
26	(1993)	57,700
27	(1994)	57,700
28	(1995)	57,700
29	(1996)	53,370
30	(1997)	53,370
31	(1998)	53,370
32	(1999)	53,370
33	(2000)	53,370
34	(2001)	53,370
35-42	(2002-2009)	57,343
43-47	(2010-2014)	50,343
48-52	(2015-2019)	47,343
53	(2020)	43,343
43-46	(2010-2013)	50,343
47	(2014)	48,350
48-52	(2015-2019)	45,350
53	(2020)	41,350

And each succeeding year thereafter,
 until December 31, 2035 for: **41,350**

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 DRWD's Delta Water Charge, the Transportation Charges, and the Water System Revenue Bond Surcharge resulting from the decrease in DRWD'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 DRWD.
4. Any over and under adjustments to payments made by DRWD for 2013 and prior years attributable to the 1,993 acre-feet of annual Table A amounts transferred on January 1, 2014 shall be paid by or credited to DRWD, 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 1,993 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 Exhibits A, B, and C show Table A amounts and capacity values for each aqueduct reach in which DRWD 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 Exhibits A, B, and C are estimated values. Actual values will be used by DWR in implementing the terms of this Amendment and in redetermination of Table B of DRWD's Water Supply Contract under Article 28.
6. DRWD acknowledges that this transfer is not conditioned on the Monterey Amendment being in effect. DRWD 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 1,993 acre-feet of annual Table A amounts in the same manner as DRWD's other annual Table A amounts.
7. This Amendment is contingent upon the effectiveness of the Water Supply Contract Amendment No. 23 between DWR and AVEK. If either amendment ceases to be effective for any reason, DRWD 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 DRWD, 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 DRWD's and AVEK's Water Supply Contracts.

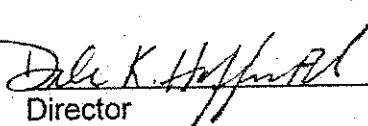
8. DRWD agrees to defend and hold DWR, its officers and employees, jointly and severally, harmless from any direct or indirect loss, liability, lawsuit, cause of action, judgment or claim, and shall indemnify DWR, its officers and employees, jointly and severally, for all lawsuits, costs, damages, judgments, 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 DRWD'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

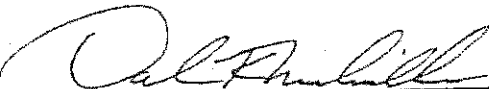

vs Chief Counsel
Department of Water Resources


Director

Date Aug 9, 2013

Date 8/26/13

DUDLEY RIDGE WATER DISTRICT


Signature

MANAGER-ENGINEER
Title

Date 7-22-2013

EXHIBIT A
DUDLEY RIDGE WATER DISTRICT
ANNUAL TABLE A AND CAPACITY VALUES FOR EACH REACH
FOR COST ALLOCATION AND REPAYMENT PURPOSES (a)
EFFECTIVE JANUARY 1, 2014 THRU DECEMBER 31, 2014

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

Repayment Reach (b)	Before Transfer (c)		Table A Transferred to AVEK (AF)	Capacity Transferred to AVEK (d) (cfs)	After Transfer	
	Table A Capacity (AF)	Flow Capacity (cfs)			Total Table A Capacity (AF)	Total Flow Capacity (cfs)
California Aqueduct						
Reach 1	50,343	150	1,993	6	48,350	144
Reach 2A	50,343	150	1,993	6	48,350	144
Reach 2B	50,343	150	1,993	6	48,350	144
Reach 3	50,343	150	1,993	6	48,350	144
Reach 4	50,343	150	1,993	6	48,350	144
Reach 5	50,343	150	1,993	6	48,350	144
Reach 6	50,343	150	1,993	6	48,350	144
Reach 7	50,343	150	1,993	6	48,350	144
Reach 8C	50,343	150	1,993	6	48,350	144
Reach 8D	50,343	150	1,993	6	48,350	144

- 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) These numbers reflect the Table A transfers in Amendment No. 26 - Exhibit A.
- d) Transferred flow capacity of 18% monthly peaking.

EXHIBIT B
DUDLEY RIDGE WATER DISTRICT
ANNUAL TABLE A AND CAPACITY VALUES FOR EACH REACH
FOR COST ALLOCATION AND REPAYMENT PURPOSES (a)
EFFECTIVE JANUARY 1, 2015 THRU DECEMBER 31, 2019

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

Repayment Reach (b)	Before Transfer (c)		Table A Transferred to AVEK (AF)	Capacity Transferred to AVEK (d) (cfs)	After Transfer	
	Table A Capacity (AF)	Flow Capacity (cfs)			Total Table A Capacity (AF)	Total Flow Capacity (cfs)
California Aqueduct						
Reach 1	47,343	141	1,993	6	45,350	135
Reach 2A	47,343	141	1,993	6	45,350	135
Reach 2B	47,343	141	1,993	6	45,350	135
Reach 3	47,343	141	1,993	6	45,350	135
Reach 4	47,343	141	1,993	6	45,350	135
Reach 5	47,343	141	1,993	6	45,350	135
Reach 6	47,343	141	1,993	6	45,350	135
Reach 7	47,343	141	1,993	6	45,350	135
Reach 8C	47,343	141	1,993	6	45,350	135
Reach 8D	47,343	141	1,993	6	45,350	135

- 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) These numbers reflect the Table A transfers in Amendment No. 26 - Exhibit A.
- d) Transferred flow capacity of 18% monthly peaking.

State Water Project Analysis Office
March 4, 2013

EXHIBIT C

DUDLEY RIDGE WATER DISTRICT
 ANNUAL TABLE A AND CAPACITY VALUES FOR EACH REACH
 FOR COST ALLOCATION AND REPAYMENT PURPOSES (a)
 EFFECTIVE JANUARY 1, 2020 THRU DECEMBER 31, 2035

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

Repayment Reach (b)	Before Transfer (c)		Table A Transferred to AVEK (AF)	Capacity Transferred to AVEK (d) (cfs)	After Transfer	
	Table A Capacity (AF)	Flow Capacity (cfs)			Total Table A Capacity (AF)	Total Flow Capacity (cfs)
California Aqueduct						
Reach 1	43,343	129	1,993	6	41,350	123
Reach 2A	43,343	129	1,993	6	41,350	123
Reach 2B	43,343	129	1,993	6	41,350	123
Reach 3	43,343	129	1,993	6	41,350	123
Reach 4	43,343	129	1,993	6	41,350	123
Reach 5	43,343	129	1,993	6	41,350	123
Reach 6	43,343	129	1,993	6	41,350	123
Reach 7	43,343	129	1,993	6	41,350	123
Reach 8C	43,343	129	1,993	6	41,350	123
Reach 8D	43,343	129	1,993	6	41,350	123

- 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) These numbers reflect the Table A transfers in Amendment No. 26 - Exhibit A.
- d) Transferred flow capacity of 18% monthly peaking.

State Water Project Analysis Office
 March 4, 2013