



## Santa Rosa Regional Resources Authority

**Established Date:** November 12, 2015

**Amended Date:** March 9, 2017

**Members:** Elsinore Valley Municipal Water District, Rancho California Water District, Wester Municipal Water District

**Purpose:**

The West Orange County Water Board Authority was created to be responsible for the collection, transmission, treatment and disposal of wastewater from its member agencies relating to flows to the Santa Rosa Water Reclamation Facility located in Murrieta California. This includes the acquisition, construction, and financing of capital projects for the Santa Rosa Water Reclamation Facility.

**FIRST AMENDMENT TO  
JOINT EXERCISE OF POWERS AGREEMENT  
CREATING THE SANTA ROSA REGIONAL RESOURCES AUTHORITY**

THIS FIRST AMENDMENT TO JOINT EXERCISE OF POWERS AGREEMENT CREATING THE SANTA ROSA REGIONAL RESOURCES AUTHORITY (which Joint Exercise of Powers Agreement is referred to herein as the “Agreement”) is made and entered into this 9 day of March, 2017, by and among ELSINORE VALLEY MUNICIPAL WATER DISTRICT, a municipal water district (Elsinore), RANCHO CALIFORNIA WATER DISTRICT, a California water district (Rancho) and WESTERN MUNICIPAL WATER DISTRICT, a municipal water district (Western).

RECITALS

WHEREAS, Elsinore, Rancho and Western entered into the Agreement on November 12, 2015 to create the Santa Rosa Regional Resources Authority (Authority); and

WHEREAS, pursuant to that certain “Restatement of and First Amendment to Memorandum of Agreement by and between Western Municipal Water District and Rancho California Water District providing for Ownership, Use and Disposition of Santa Rosa Regional Resources Authority Wastewater,” the Asset/Liability Allocation Matrix set forth in Section 5.1 of the Agreement must be amended to reflect the revisions to capacity rights, as set forth in that Memorandum of Agreement, as amended, between Western and Rancho; and

WHEREAS, Section 9 of the Agreement authorizes the amendment of the Agreement upon the unanimous approval of the Authority’s Board of Directors and the governing boards of the Authority’s Member Agencies; and

WHEREAS, the Authority’s Board of Directors and the governing bodies of the Authority’s Member Agencies have approved the amendment set forth herein by actions taken at duly noticed public meetings,

NOW, THEREFORE, for and in consideration of the mutual benefits, promises and agreements set forth herein, Elsinore, Rancho and Western amend the Agreement as follows:

I. The Asset/Liability Allocation Matrix set forth in Section 5.1 of the Agreement is amended to read as set forth below:

	Primary & Secondary	Tertiary Treatment	Trunk Sewer
Capital/Debt	Based on ultimate flow/capacity requirements	Based on ultimate recycled water amounts	Based on engineering analysis
Elsinore	40% - 2.0 MGD	40% - 2.0 MGD	43.57%
Rancho	40% - 2.0 MGD	60% - 3.0 MGD	36.61%
Western	20% - 1.0 MGD	0%	19.82%

II. Except as amended by the foregoing, all other provisions of the Agreement shall remain in full force and effect.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and date first above written.

Each of the contracting public agencies which is a party hereto has caused this instrument to be executed by its respective officials, duly authorized by action taken by the legislative bodies thereof.

Dated: March 13, 2017

Elsinore Valley Municipal Water District

By:   
Harvey R. Ryan, President

By:   
Terese Quintanar, Secretary

Dated: April 13, 2017

Rancho California Water District

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

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

Dated: \_\_\_\_\_, 2017

Western Municipal Water District

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

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

Dated: \_\_\_\_\_, 2017

Santa Rosa Regional Resources Authority

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

By: \_\_\_\_\_  
Secretary-Treasurer

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Dated: \_\_\_\_\_, 2017

Elsinore Valley Municipal Water District

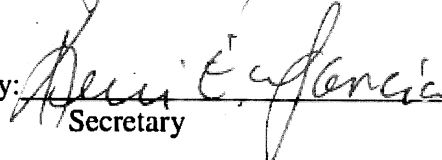
By: \_\_\_\_\_  
President

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

Dated: 3-9-17, 2017

Rancho California Water District

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

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

Dated: \_\_\_\_\_, 2017


Western Municipal Water District

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

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

Dated: 3-14-17, 2017

Santa Rosa Regional Resources Authority

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

By:  \_\_\_\_\_  
Secretary-Treasurer

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Each of the contracting public agencies which is a party hereto has caused this instrument to be executed by its respective officials, duly authorized by action taken by the legislative bodies thereof.

Dated: \_\_\_\_\_, 2017

Elsinore Valley Municipal Water District

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

By: \_\_\_\_\_  
Secretary-Treasurer

Dated: \_\_\_\_\_, 2017

Rancho California Water District

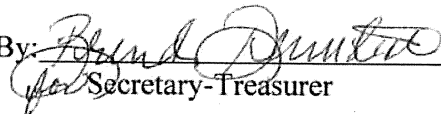
By: \_\_\_\_\_  
President

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

Dated: \_\_\_\_\_, 2017

Western Municipal Water District

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

By:  \_\_\_\_\_ V.P.  
Secretary-Treasurer

Dated: \_\_\_\_\_, 2017

Santa Rosa Regional Resources Authority

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

By: \_\_\_\_\_  
Secretary-Treasurer

JOINT EXERCISE OF POWERS AGREEMENT  
CREATING THE SANTA ROSA  
REGIONAL RESOURCES AUTHORITY

THIS AGREEMENT is made and entered into this 12<sup>th</sup> day of November, 2015 (“Effective Date”), by and among the Elsinore Valley Municipal Water District, a Municipal Water District (Elsinore), Rancho California Water District, a California Water District (Rancho), and Western Municipal Water District of Riverside County (Western), a Municipal Water District, individually or collectively referred to herein as the “Member Agency” or “Member Agencies” respectively, for the creation of the Santa Rosa Regional Resources Authority and the ownership, operation, maintenance, and administration of the Santa Rosa Water Reclamation Facilities (Facilities).

RECITALS

WHEREAS, each of the Member Agencies is a public agency authorized and empowered to contract for the joint exercise of powers under the Section 6500 *et seq.* Government Code of the State of California; and

WHEREAS, each of the Member Agencies have the authority and power to collect, transmit, treat, and dispose or reuse wastewater and wastewater treatment byproducts, and to construct, own, operate, and maintain facilities for such purposes; and

WHEREAS, Elsinore is a Municipal Water District providing water and sewer services to portions of southern Riverside County; and

WHEREAS, Rancho is a California Water District providing water and sewer services to portions of southern Riverside County; and

WHEREAS, Western is a Municipal Water District providing water and sewer services to southern and western Riverside County; and

WHEREAS, the Member Agencies recognize the need to operate, maintain, and administer the Facilities on a cooperative basis for the collection, transmission, treatment, and disposal of wastewater, and the management of wastewater treatment byproducts; and

WHEREAS, the Member Agencies hereby enter into this Agreement to establish this Joint Powers Authority to own, operate, maintain, and administer the Facilities on a cooperative basis for the collection, transmission, treatment, and disposal of wastewater, and the management of wastewater treatment byproducts, and to supersede certain agreements by and among the Member Agencies.

NOW THEREFORE, based on the foregoing recitals, the Member Agencies agree as follows:

Section 1. PURPOSE AND POWERS.

1.1. Definitions. For purpose of this Agreement, the meaning of the following terms shall be as follows:

- 1.1.1 "Act" means Articles 1, 2, and 4 of Chapter 5 of Division 7 of Title 1 of the Government Code (Section 6500 et seq.), as amended.
- 1.1.2 "Agreement" means this Joint Exercise of Powers Agreement.
- 1.1.3 "Authority" means the Santa Rosa Regional Resources Authority formed pursuant to this Agreement.
- 1.1.4 "Board" or "Board of Directors" means the governing body of the Authority as established in this Agreement.
- 1.1.5 "Budget" means each of the budgets approved in accordance with Section 3 below.
- 1.1.6 "Director" means the Director or Alternate Director representing a Member Agency of the Authority.
- 1.1.7 "Facilities" mean the Santa Rosa Water Reclamation Facility, its onsite and offsite trunk sewer and lift station facilities and any wastewater facilities financed, acquired, developed, designed, constructed, managed, operated, maintained, or replaced by the Authority, including without limitation, conduits, pipelines, pump stations, transmission facilities, buildings, and other structures utilized for the collection, transmission, treatment, and disposal of wastewater, and wastewater byproducts (not including recycled water) for any beneficial purpose including any beneficial use by Member Agencies. The Facilities are generally described and shown on Exhibit A attached to and made a part of this Agreement.
- 1.1.8 "Facilities Acquisition Agreement" means the Facilities Acquisition Agreement by and among the Authority and Rancho for the acquisition of the Facilities by the Authority from Rancho and the interim operations of the Facilities prior to the acquisition of the Facilities from Rancho.
- 1.1.9 "Fiscal Year" means July 1 through June 30 or such other period as the Board of Directors shall determine.
- 1.1.10 "Member Agency" or "Member Agencies" means each, or all, of the parties to this Agreement.

1.1.11. "Rancho Debt" means the debt generally described in the Schedule of Debt attached to this Agreement as Exhibit B which represents the Rancho Debt associated with the Facilities and constitutes the debt to be refinanced by the Authority.

1.2. Establishment of Joint Powers Public Agency and Common Powers to be Exercised. There is hereby created a joint powers public agency known as the Santa Rosa Regional Resources Authority (Authority). For the purposes of this Agreement, the Authority is a public agency separate from its Member Agencies. Each Member Agency has the power to construct, operate, maintain, administer, and manage facilities for the collection, transmission, and disposal of wastewater, the reuse of treated wastewater, and wastewater byproducts for any beneficial purpose. The purpose of this Agreement is to jointly exercise the foregoing common powers in the manner hereinafter provided solely as they relate to the wastewater flows to the Facilities from each of the Member Agencies. In connection with the foregoing, Rancho shall transfer the Facilities to the Authority. Nothing contained in this Agreement shall obligate any Member Agency to participate in projects undertaken by any other Member Agency constructed, funded, or financed prior to the date of this Agreement, except for the Facilities defined in this Agreement.

1.3. General Duties of the Authority. The Authority shall own, operate, maintain, and administer the Facilities utilizing revenues generated by the Facilities, funds contributed by the Member Agencies, and loan proceeds and grants received from the federal and state governments and other sources. The Facilities are to be transferred by Rancho to the Authority in accordance with the Facilities Acquisition Agreement. However, ownership of the Facilities shall not be transferred by Rancho to the Authority until the acquisition price has been paid to Rancho in accordance with the Facilities Acquisition Agreement. The acquisition price shall be the refinancing by the Authority of the Rancho Debt associated with the Facilities.

1.4. Powers. The Authority, by and through its Board of Directors, shall have the following powers as needed to fulfill its duties:

- 1.4.1. To own, operate, maintain, administer, and manage the Facilities, including any buildings, works, or improvements comprising part of the Facilities and located either inside or outside the boundaries of the Member Agencies, in accordance with sound operational, engineering, and accounting practices and local, state, and federal laws, and regulations;
- 1.4.2. To make and enter contracts, leases, and agreements in connection with the ownership, operations, maintenance, administration, and management of the Facilities;
- 1.4.3. To acquire by negotiation or condemnation, lease, purchase, construct, hold, manage, maintain, operate, and dispose of any buildings, property (real and personal), works, or improvements within and without the respective boundaries of the Member Agencies necessary to accomplish the purpose of this Agreement;
- 1.4.4. To contract for the services of engineers, attorneys, planners, financial consultants, construction contractors, and separate and a part therefrom, to appoint agents and representatives and to employ such other staff persons as necessary;



- 1.4.5. To issue revenue bonds or other appropriate public or private debt and incur debts, liabilities, or obligations in connection with the operation, maintenance, administration, and management of the Facilities;
- 1.4.6. To apply for, and obtain, grants or loans under any federal, state, or local programs for assistance in developing or implementing any of its projects or programs in connection with the construction, operation, maintenance, administration, and management of the Facilities;
- 1.4.7. To sue and be sued in its own name;
- 1.4.8. To acquire, hold, and dispose of such equipment as may be reasonably necessary for the operation, maintenance, administration, and management of the Facilities;
- 1.4.9. To file reports associated with the operation, maintenance, administration, and management of the Facilities;
- 1.4.10. In an emergency, to reconstruct or cause to be reconstructed such portions of the Facilities when reconstruction is immediately required to permit the Facilities to continue to function;
- 1.4.11. To maintain insurance coverage at all times with a responsible California-admitted insurer or insurers sufficient against loss or damage to the Facilities or portion thereof, insurance against public liability and property damage and pollution remediation and liability insurance, and any other insurance coverage deemed necessary;
- 1.4.12. To adopt industrial pretreatment regulations that complies with federal and state pretreatment regulations. The regulations shall include, but not necessarily be limited to, technically based local limits, shall be followed by each Member Agency, shall apply to industrial connections and groundwater cleanup sites that discharge or have the potential to discharge into the Facilities, and shall allow the Authority to take enforcement action against dischargers that violate the regulation;
- 1.4.13. To review and amend the industrial pretreatment regulations from time to time as the need arises;
- 1.4.14. To implement all requirements of the pretreatment regulations and all aspects of the Authority's service area pretreatment program, including permitting, inspection, monitoring, reporting, and enforcement activities, except that industrial pretreatment permits shall be jointly issued by the Authority and the Member Agency in whose jurisdiction the discharge is located;
- 1.4.15. To charge and bill the industrial dischargers for their respective share of the Authority's cost to implement the pretreatment regulations, including application review, permit issuance, sampling, monitoring, inspection, and enforcement costs;
- 1.4.16. To operate and maintain other facilities outside the Facilities as recommended in accordance with the Authority's operation agreements, which may include budgeting responsibilities;

- 1.4.17. To create and appoint advisory committees to serve at the pleasure of the Board;
- 1.4.18. To jointly exercise the common powers of the Member Agencies, solely as they relate to the wastewater flows to the Facilities from each of the Member Agencies, as set forth in this Section 1.4;
- 1.4.19. To adopt rules, regulations, and procedures governing the Authority and its operations;
- 1.4.20. To invest funds pursuant to Government Code Section 6509.5 or other applicable state law; and
- 1.4.21. Any power necessary or incidental to the foregoing powers in the manner and according to the procedures provided for under the law applicable to the Member Agencies to this Agreement.
- 1.4.22. Any additional powers conferred under the Act or under applicable law, insofar as such additional powers may be necessary to accomplish the purposes set forth in this Section 1, including all powers granted to the Authority under Article 4 of the Act which are in addition to the common powers of the Member Agencies, including the power to issue bonds or otherwise incur debts, liabilities or obligations to the extent authorized by the Act or any other applicable provision of law and to pledge any property or revenues or the rights thereto as security for such bonds and other indebtedness; and
- 1.4.23. Any power necessary or incidental to the foregoing powers shall be exercised in the manner and according to the procedures provided for under the California Municipal Water District Law (Water Code, Section 71000 et seq.) except as otherwise provided in the Act or by law or in this Agreement.

1.5. This Agreement Supersedes Previous Agreements. This Agreement is intended to, and does hereby, supersede the following agreements as of the Effective Date of this Agreement:

- 1.5.1. The "Agreement Between The Elsinore Valley Municipal Water District and Rancho California Water District concerning Treatment And Disposal Of Sewage Generated Within A Portion Of The Southern Division Of Elsinore Valley Municipal Water District Known As California Oaks," dated June 22, 1988;
- 1.5.2. The "Agreement Between Murrieta County Water District and Rancho California Water District For Receiving, Treating And Disposing Of Wastewater," dated March 1, 1989;
- 1.5.3. The "Agreement Between Elsinore Valley Municipal Water District and Rancho California Water District For The Collection, Treatment, And

Disposal Of Wastewater Generated Within The Northern California Oaks Area Of The Elsinore Valley Municipal Water District,” dated March 2, 2004;

1.5.4. The “Agreement Between Elsinore Valley Municipal Water District And Rancho California Water District For The Collection, Treatment, And Disposal Of Wastewater Generated Within The Palomar Area Of The Elsinore Valley Municipal Water District,” dated March 2, 2004;

1.5.5. The “Agreement Between Rancho California Water And Western Municipal Water District Regarding Rights And Obligations In Murrieta County Water District,” dated September 20, 2006; and

1.5.6. The letter from Rancho to Elsinore dated September 20, 2011, extending Rancho’s notice of termination from June 22, 2013 to June 22, 2016.

## Section 2. ORGANIZATION.

2.1. Board of Directors. The Authority shall be governed and administered by a Board of Directors (Board). The Board shall consist of three (3) individuals (the “Primary Directors”), one each of which shall be appointed by Resolution by each Member Agency’s governing board. Each Member Agency’s governing board shall also appoint by Resolution one Alternate Director who shall serve and assume the rights and duties of the Primary Director when the Primary Director is unable to attend a Board meeting. Concurrently with the adoption of a Resolution authorizing the execution of this Agreement, each Member Agency shall designate and appoint, by resolution of its governing body, two persons to act as its Primary Director and its Alternate Director on the Board. Both the Primary Director and Alternate Director shall be an elected member of the governing board of the appointing Member Agency. Each Primary Director and Alternate Director shall hold office until their successor is selected. Primary Directors and Alternate Directors shall serve at the pleasure of the governing board of the appointing Member Agency and may be removed at any time, with or without cause, in the sole discretion of a Member Agency’s governing board.

2.2. Officers of the Board. The Board shall elect its own officers, which shall include a Chair and Vice-Chair both of whom shall be members of the Board. The Chair shall preside at all meetings of the Board, and shall exercise and perform such other powers and duties as may be assigned by the Board. The Vice-Chair shall perform the duties of the Chair in the absence or disability of the Chair, and shall have such other powers as the Board may prescribe. The officers shall hold office for a term of one year commencing on January 1<sup>st</sup> of each and every calendar year and may serve a maximum of two consecutive years before the rotation of the officer positions.

2.3. Secretary-Treasurer. The Authority’s Secretary-Treasurer shall be the Administrator’s senior financial officer (such as its chief financial officer, director of finance or finance manager as designated by the Administrator) unless the Board elects to appoint as Secretary-Treasurer another individual of its own choosing. The Secretary-Treasurer shall fulfill the duties and obligations required under Government Code, Sections 6505.5 and 6505.6.

2.4. Administrator. The Authority shall appoint, from time-to-time, when and as it deems appropriate, an Administrator for the purpose of managing the Facility, contracting for the construction, operation, and maintenance of the Facility and providing management and administrative services for the Authority. The Administrator shall serve in accordance with a written agreement with the Authority. A Member Agency may be appointed as the Administrator.

The Authority shall make such an appointment by adopting a Resolution, a copy of which shall be provided to each Member Agency. Such a Resolution or a separate Resolution shall place a limitation on the Administrator in connection with any proposed expenditures of Authority funds as the Board deems appropriate and consistent with applicable law.

2.5. General Legal Counsel and Other Officers. General Legal Counsel shall be appointed by the Board and shall serve at the pleasure of the Board. Subject to the limits of the Authority's approved budget, the Board shall also have the power to appoint and contract for the services of such other officers, consultants, advisors, and independent contractors as it may deem necessary or convenient for the business of the Authority all of whom shall serve at the pleasure of the Board.

2.6. Principal Office. The Principal Office of the Authority shall be established from time-to-time by a Resolution of the Board, a copy of which shall be provided to each Member Agency. The Authority's Principal Office shall initially be located at the Principal Office of the Administrator. The Board is hereby granted full power and authority to change, by resolution, that Principal Office from one location to another, within the collective service territories of the Member Agencies.

2.7. Powers and Limitations Thereon. All the power and authority of the Authority shall be exercised by the Board, subject, however, to the rights reserved by the Member Agencies as set forth herein; provided, however, that the Board may delegate by Resolution such powers and authority to the Administrator as the Board deems appropriate. Unless the Administrator is an employee of the Authority, the Administrator shall at all times maintain exclusive control over any employees of the Administrator assigned to perform services under the Administrator's agreement with the Authority, including, but not limited to, matters related to hiring, probationary periods, disciplinary actions, termination, benefits, performance evaluations, salary determinations, promotions and demotions, and leave accruals.

2.8. Meetings. The Board shall meet at the Principal Office of the Authority or such other place as may be designated by the Board. The time and place of regular meetings of the Board shall be determined by Resolution adopted by the Board, a copy of which shall be provided to each Member Agency. The Chair, Vice-Chair, a Board member or the Administrator may call such special meetings of the Board at such time and place as determined by the Board.

2.9. Ralph M. Brown Act. All meetings of the Board, including, without limitations, regular, adjourned regular and special meetings, shall be called, noticed, held, and conducted in accordance with the provisions of the Ralph M. Brown Act (Government Code, Section 54950 et seq.).

2.10. Minutes. The Board shall cause to be kept minutes of all meetings of the Board and shall cause a copy of the minutes to be forwarded to each member of the Board and to each Member Agency.

2.11. Quorum and Vote. The majority of the Board shall constitute a quorum for the transaction of business; except that less than a quorum may adjourn from time-to-time. The affirmative vote of a majority of the Board shall be required for the approval of any action except for the budget approval process, admission of new parties or an amendment of this Agreement all of which shall be governed by the unanimous approval process in Sections 3.1, 3.2, 3.3, 3.4, 7, and 8 below, and a quorum for those matters shall be all three (3) Board members. Each Member Agency shall have one vote.

2.12. Rules. The Board may adopt rules and regulations for, among other things, its meetings, including a conflict of interest code and a purchasing procedure. The Board may, from time-to-time, review and revise these rules and regulations as needed.

2.13. No Compensation of Board or Committee Members by the Authority. No Director shall be compensated by the Authority for attendance at meetings of the Board or at any committee created by the Board. No member of a committee created by the Board shall be compensated for attendance at any meetings of that committee. Nothing in this section is intended to prohibit a Member Agency from compensating its representatives on the Board or on a committee for attending such meetings.

### Section 3. BUDGETS.

Until such time as the Facilities are conveyed from Rancho to the Authority, budgeting shall occur pursuant to the terms of the Facilities Acquisition Agreement. Thereafter, budgeting shall occur as described in this section.

3.1. General Operating Budget. At the first meeting of the Board, and annually thereafter in the month of March or other mutually agreed upon timeframe, a general operation budget (the "Operating Budget") shall be adopted by the Board. The Operating Budget shall be prepared in sufficient detail to constitute an operating outline for the purpose of establishing rates and/or contributions to be billed to and paid by the Member Agencies for each available level of service provided. The operating rates and/or contributions to be billed to and paid by each Member Agency shall be based upon current flows or Equivalent Dwelling Units (EDUs) as of the January prior to the start of the Budget year. The Operating Budget shall outline anticipated revenues and planned expenditures to be made during the ensuing Budget year by functional category such as operations and maintenance, administration, projects, programs, planning, study and any applicable contributions to operate related reserves. For the purpose of the Operating Budget, operating shall mean any financial activity related to exchange transactions, as defined by applicable generally accepted accounting principles (GAAP) associated with the principal activity of the JPA. The Operating Budget shall be adopted by unanimous approval of the Board. The rates and contributions approved by the Board shall be paid by the Member Agencies pursuant to Section 3.6 below.

3.2. Non-Operating Budget. At the first meeting of the Board, and annually thereafter in the month of March or other mutually agreed upon timeframe, a non-operating budget (the "Non-Operating Budget") shall be adopted by the Board. The Non-Operating Budget shall be prepared in sufficient detail to constitute a non-operating outline for the purpose of establishing rates and/or contributions to be billed to and paid by the Member Agencies. These rates and/or contributions shall be based upon the proportionate amount of ultimate capacity in the relevant asset type applicable to each Member Agency at the amounts set forth in the Section 5.1. table. At a minimum, the Non-Operating Budget shall outline anticipated revenues and planned expenditures for non-operating financial activities for the ensuing Budget year, inclusive of any amount necessary for servicing debt. For the purpose of the Budget, Non-Operating shall mean any financial activity related to non-exchange transactions, as defined by applicable GAAP. Examples of non-exchange transactions include investment income, contributed capital from Member Agencies for capital debt service, interest expense, and return of capital to Member Agencies. The non-operating budget shall be adopted by unanimous approval of the Board. The rates and contributions approved by the Board shall be paid by the Member Agencies pursuant to Section 3.6 below.

3.3. Capital Project Budget. At the first meeting of the Board, and annually thereafter in the month of March, or other mutually agreed upon timeframe, a capital project budget (the "Capital Project Budget") shall be adopted by the Board. The Capital Project Budget shall be prepared in sufficient detail to constitute a capital project outline to assess contributions to be paid by the Member Agencies and expenditures to be paid by the Member Agencies during the ensuing year for capital projects needed for major repair, replacement, expansion and efficiency of the Facilities. These contributions shall be based upon the proportionate amount of ultimate capacity in the relevant asset type applicable to each Member Agency at the amounts set forth in the Section 5.1 table. The Capital Project Budget shall be adopted by unanimous approval of the Board. The contributions approved by the Board shall be paid by the Member Agencies pursuant to Section 3.6 below.

3.4. Specific Project Budgets. In addition to the Operating Budgets and Non-Operating Budgets, the Board may budget at any time for the study, implementation or construction of any specific project, program or study proposed to be undertaken by the Authority for matters not deemed to be of general benefit to all Member Agencies, provided that no Member Agency shall be involved without its approval. A specific project budget and written project Agreement of the Member Agencies who consented to participation in the specific project shall be established for each specific project, which budget and agreement shall determine the respective obligations, functions, and rights of the Member Agencies involved and of the Authority. The members of the Board representing the Member Agencies who will be involved in financing and implementing the specific project shall be and constitute a "Project Committee," for purposes of administration and implementation of the specific project. No project shall be acquired or constructed by the Board without the unanimous consent of the governing boards of participating Member Agencies. Ratification of the project budget by each of the participating Member Agencies shall constitute consent for the acquisition and construction of the specific project. Notwithstanding the foregoing, no debt shall be incurred by the Authority for a specific project without the unanimous consent of the Board. Any rates and contributions approved by the Project Committee and approved by the participating Member Agencies shall be paid by the participating Member Agencies pursuant to Section 3.6 below.

Each project budget shall include, without limitation, the following:

- (a) Administrative expenses;
- (b) Studies and planning costs;
- (c) Engineering and construction costs;
- (d) The allocation of costs, including debt service costs, if any, among participating Member Agencies;
- (e) Annual maintenance and operating expenses for the project; and
- (f) A formula for allocating annual maintenance and operating expenses, if any.

3.5. Failure to Obtain Budget Approvals. In the event a budget acceptable to the Board is not obtained prior to the start of a fiscal year the Authority shall continue to operate at the level of expenditure as authorized below:

3.5.1. General Operating Budget. The general operating budget shall be at the expenditure level authorized by the last approved general operating budget increased by the Consumer Price Index ("CPI") with a minimum increase of no less than two percent (2%). The CPI shall mean the change in CPI for Urban Wage Earners and Clerical Workers for the Los Angeles County,

Orange County, and Riverside County areas for the all items category for the 12-month period ending the February prior to the beginning of the fiscal year budgeted as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or other mutually agreeable source if such a CPI is no longer available. This factor will be applied to the budget until such time as a new budget is approved by the Authority. Any shortfall in revenues will be made up from available reserves dedicated by the Board for such a purpose, and if insufficient to cover the shortfall, any available reserve funds not be designated by the Board for other purposes or otherwise legally restricted for other purposes by external parties. Reserves shall mean any available cash or investments.

- 3.5.2. Non-Operating Budget. The Non-Operating Budget represents revenue requirements to pay debt service on all bonds, loans or other indebtedness of the Authority. The Non-Operating Budget shall automatically be established at the required level necessary to meet annual debt service requirements including any revenue coverage covenants. Each Member Agency covenants to fix, prescribe, and collect rates and charges for its use of capacity in the Facilities which will yield during each fiscal year net revenues payable to the Authority sufficient for the Authority to satisfy all covenants in any indentures, loan agreements or other documents entered into by the Authority and to enter into such other agreements as are necessary for the Authority to secure financing to pay the acquisition price for the Facilities to Rancho.
- 3.5.3. Capital Project Budget. The Capital Project Budget represents revenue requirements to pay the costs associated with capital projects approved by the Authority. The capital project budget shall automatically be established at the required level necessary to implement capital projects previously approved by the Authority.
- 3.5.4. If a budget acceptable to the Board is not developed during the course of the fiscal year, then the budget in the following fiscal year shall be adopted according to the voting procedures in Section 2.11 such that unanimity shall not be required except for the Capital Project Budget which will remain at levels established by Section 3.5.3 until amended by unanimous vote of the Board.

3.6. Payments of Amounts Due. The payments owed for rates or contributions from each Member Agency to the Authority budget and/or project budget shall be due, payable, and delivered by the Member Agencies to the Authority within forty-five (45) days after receipt of a billing therefor from the Authority. To the extent permitted by state law, unpaid and past due contributions shall bear interest at ten percent (10%) per annum, calculated daily, from the date due to the date payment is received by the Authority.

#### Section 4. ACCOUNTING AND AUDITS.

- 4.1. Fiscal year. The fiscal year of the Authority shall be from July 1 to June 30.

4.2. Accounting Procedures. Full books and accounts shall be maintained for the Authority primarily in accordance with applicable GAAP and secondarily by practices established by, and consistent with, those utilized by the Controller of the State of California for similar public entities. The Authority's Secretary-Treasurer shall comply strictly with the requirements of the statute governing joint powers authorities at Government Code, Section 6500 et. seq.

4.3. Audit. An auditor shall be selected by the Board. The records and accounts of the Authority shall be audited annually by an independent certified public accountant in accordance with generally accepted auditing standards as applicable to special districts. Copies of such audit reports shall be filed as a public record with the Riverside County Auditor, the State Controller, and each Member Agency of the Authority within six (6) months of the end of the fiscal year under examination. The audit shall constitute a public record. Each Member Agency shall have the right to perform its own audit of the records and accounts of the Authority but the cost and expense of such special audit shall be born by the Member Agency seeking such audit.

Section 5. CAPACITY AND RECYCLED EFFLUENT RIGHTS

5.1. Capacity Rights in the Facilities. The permitted and design treatment capacity of the Facilities is currently five (5) million gallons per day ("MGD"). Treatment capacity rights in the Facilities shall be held for the benefit of the Member Agencies as shown in the following Asset/Liability Allocation Matrix. The Member Agencies agree that if, in the future, it is determined that the Facilities are operating at less than the permitted/designed treatment capacity of five (5) MGD, then the Member Agencies' respective capacity rights shall be adjusted pro rata to conform to their percentage capacity rights based on the assumed five (5) MGD operating capacity.

**ASSET/LIABILITY ALLOCATION MATRIX**

	Primary & Secondary	Tertiary Treatment	Trunk Sewer
Capital/Debt	Based on ultimate flow/capacity requirements	Based on ultimate recycled water amounts	Based on engineering analysis
Elsinore	40% - 2.0 MGD	40% - 2.0 MGD	43.57%
Rancho	40% - 2.0 MGD	52% - 2.6 MGD	36.61%
Western	20% - 1.0 MGD	8% - 0.4 MGD	19.82%

5.2. Temporary Use of Excess Capacity. A Member Agency or non-Member Agency may use the unused capacity of the other Member Agencies on a month-to-month basis as follows:

(a) The Member Agency or non-Member Agency using the excess capacity shall pay the applicable operation and maintenance expenses, as well as a fair market rental value of such excess capacity. This rental value will be determined as part of the annual budget process as described in Section 3 above and is in addition to the other rates set forth in that Section.

(b) Any excess capacity used shall be considered to be proportionally used from the current excess capacities of the other Member Agencies, and any funds received from the rental value provided in Section 5.2(a) will be used to offset any contributions required in such proportion for non-operation or capital related contributions as imposed in accordance with Sections 3.2, 3.3, 3.5.2, and 3.5.3.



(c) Any Member Agency providing excess capacity to another Member Agency or a non-Member Agency may terminate the other party's use of such excess capacity upon giving ninety (90) days prior written notice.

(d) Any proposed temporary capacity use between a Member Agency and a non-Member Agency must first be approved by the Board.

(e) The temporary use of excess capacity shall not transfer a corresponding right to control, use or derive financial benefit from the corresponding effluent stream. Permanent transfers of capacity rights are presumed to also transfer the right to control, use or derive financial benefit from a corresponding quantity of the effluent stream (as calculated in Section 5.3, below).

5.3. Effluent/Recycled Water Rights. Each Member Agency shall own and have the right to control, transfer and derive all financial benefit from the treated wastewater and recycled water produced by the Facilities in proportion to the amount of sewage delivered by each Member Agency to the Facilities for treatment, less any amount consumed during the course of the operation of the Facilities including, but not limited to, regulatory-required discharges, except as otherwise agreed upon in writing between two or more Member Agencies.

## Section 6. ASSETS, DEBTS AND LIABILITIES

### 6.1. Debts and Liabilities.

(a) The debts, liabilities, or obligations of the Authority shall be the debts, liabilities, and obligations of the Authority alone and not of its Member Agencies. Bonds and loans entered into by the Authority, shall be special obligations of the Authority payable solely from, and secured solely by, the revenues, funds, and other assets pledged therefor under the applicable indenture or loan agreement and shall not constitute a charge against the general credit of the Authority. Bonds, loans or other indebtedness shall not be secured by a legal or equitable pledge of, or lien or charge upon or security interest in, any property of the Authority or any of its income or receipts except the property, income, and receipts pledged therefor under the applicable indenture or loan agreement. Any bonds, loans, or other indebtedness shall not constitute a debt, liability, or obligation of the State or any public agency thereof, including the Member Agencies, other than the special obligation of the Authority as described above. Neither the faith and credit nor the taxing power of the State or any public agency thereof, including the Member Agencies, shall be pledged to the repayment of any bonds, loans, or other indebtedness. The Authority shall have no taxing power.

(b) No covenant or agreement contained in any Bond or Indenture shall be deemed to be a covenant or agreement of any director, officer, agent, or employee of the Authority in his or her individual capacity, and no director or officer of the Authority executing a Bond shall be liable personally on such Bond or be subject to any personal liability or accountability by reason of the issuance of such Bond.

(c) No bonds shall be issued and no loans or other indebtedness shall be incurred by the Authority without the unanimous consent of the Board.

### 6.2. Acquisition and Operation of Facilities; Ownership of Assets, Debts, and Liabilities.

(a) Prior to the conveyance of the Facilities by Rancho to the Authority, the Facilities shall be operated in accordance with the terms of this Agreement and the Facilities Acquisition Agreement. Upon the conveyance of the Facilities by Rancho to the Authority, the Facilities shall be operated in accordance with this Agreement and such other agreements as are entered into by

the Authority and the Member Agencies from time to time. Upon conveyance by Rancho, the Authority shall own all of the Facilities and shall be responsible for all debts and liabilities associated with the Facilities that are incurred by the Authority after the Effective Date of this Agreement. The land upon which the Facilities are located will not be owned by the Authority, but will be leased by the Authority from Rancho for a ninety-nine (99) year term, unless extended, at a rental rate of one dollar (\$1.00) per fiscal year payable on July 1 of each year. Each Member Agency shall execute any conveyance instruments necessary in order to accomplish a transfer of all assets, debts, and liabilities associated with the Facilities.

(b) Upon the Effective Date of this Agreement the Authority shall be obligated to acquire the Facilities including any related Property as more specifically described in the Facilities Acquisition Agreement and to obtain financing in order to pay off and defease the Rancho Debt associated with the Facilities as generally described in the Schedule of Debt attached hereto as Exhibit B. The Member Agencies intend for the Authority to acquire the Facilities from Rancho by obtaining a State Revolving Fund loan (the "SRF Loan") or other financing to discharge Rancho's Debt on the Facilities (Acquisition Price). If requested by the Authority, Rancho agrees to submit an application for the SRF Loan and to process it with the State Water Resources Control Board (the "Control Board") in order to obtain approval for an SRF Loan to be made to the Authority. The Authority and Rancho agrees to diligently pursue approval of the SRF Loan and agrees to execute the necessary documentation to obtain, transfer or assign the SRF Loan approval to the Authority. In the event that the SRF Loan is not approved by the planned acquisition date, the Member Agencies agree that the acquisition price will be financed by revenue bonds issued by the Authority. The Member Agencies agree to cooperate in negotiating the terms of the documents required to obtain the SRF Loan or the bond documents necessary to issue the Authority bonds, including all documents necessary to ensure that the Authority will have sufficient wastewater revenues to repay the SRF Loan or the Authority bonds and operate and maintain the Wastewater Plant in accordance with the covenants in the SRF Loan documents or the bond covenants in the bond documents, as applicable. The parties acknowledge and agree that such documents will include a covenant that net revenues of the Authority exceed the debt service due in each year by a certain percentage as required by the Control Board of the underwriter and the rating agency or agencies for the Authority.

6.3. Treatment of Rancho's SWAP Obligations. In connection with certain variable rate interest debt incurred by Rancho with respect to the Facilities, Rancho entered into SWAP Agreements for hedging interest rate risk. In accordance with the terms of the SWAP Agreements, Rancho could owe the SWAP providers early termination costs or payments should the SWAP Agreements be terminated before their expiration on August 15, 2031. To reduce the cost of acquiring the Facilities, Rancho shall internally reallocate the debt connected to the Facilities rather than terminating the SWAP Agreements. In return for the reallocation, the Authority agrees to reimburse Rancho for any early termination costs or payments due under the SWAP Agreements for the debt related to the Facilities should the SWAP Agreements be terminated for reasons beyond Rancho's control or option. "SWAP Agreements" means that certain ISDA Master Agreement and related documents dated May 20, 2004 between Citibank, N.A. and Rancho and the Second Amended and Restated Confirmation dated as of March 19, 2008, evidencing a SWAP transaction in the notional amount of \$17,850,000, and that certain ISDA Master Agreement and related documents dated May 20, 2004, between UBS, AG, Rancho, and the Amended and Restated Confirmation dated as of May 27, 2008, evidencing a SWAP transaction with a notional amount of \$26,775,000.

6.4. California Public Employees Retirement System Actuarial Liability (CalPERS). The Parties acknowledge that Rancho presently has an unfunded potential actuarial liability to Cal PERS for Rancho's employees who are, or have been, assigned to the Facilities ("Rancho Employees"). Although it is understood that Rancho will bear the financial responsibility to pay

the annual employer contributions to CalPERS for the retirement benefits accrued by the Rancho Employees who will remain under the sole and exclusive control and direction of Rancho, the Parties agree that the unfunded actuarial liability is less a reflection of the cost of providing retirement benefits accrued by the Rancho Employees and more like a business cost tied to the performance of previously contributed funds to CalPERS by Rancho and certain actuarial assumptions. In light of the preceding, the Authority shall assume responsibility for and pay any remaining unfunded liability associated with Rancho Employees upon a change in Rancho as the Authority's Administrator. In the event of the dissolution of the Authority, each Member Agency shall assume responsibility for and pay its proportionate share of any remaining unfunded actuarial liability associated with Rancho Employees. The unfunded actuarial liability will be computed as of the Authority's formation date and periodically redetermined over the life of the Authority except that if Rancho is terminated as the Authority's Administrator, the unfunded actuarial liability will be calculated based on benefit accrued by Rancho Employees as of the effective date of the termination. If a Member Agency elects to withdraw from the Authority, the Member Agency shall assume liability for its proportionate share of the unfunded actuarial liability, if any, at the time of that Member Agency's withdrawal from the Authority. The unfunded actuarial liability will be determined by a mutually agreed upon neutral and qualified actuary.

Section 7. TERM AND TERMINATION.

This Agreement shall remain in effect and the Authority shall continue to fulfill its purpose and exercise its power for a period of ninety-nine (99) years from the Effective Date of this Agreement or until this Agreement is extended or terminated as provided for herein. This Agreement may be extended or terminated by written unanimous consent of the Member Agencies evidenced by copies of resolutions of the Member Agencies' governing boards.

Section 8. ADMISSION OF NEW PARTIES.

It is recognized that public agencies other than the original Member Agencies to this Agreement may wish to participate in the Authority. Additional public agencies may become members of the Authority upon such terms and conditions as unanimously approved by the Board and upon the approval of all of the governing boards of the existing Member Agencies of the Authority, evidenced by the execution of a written amendment to this Agreement signed by all of the Member Agencies including the additional public agency.

Section 9. AMENDMENTS.

This Agreement may be amended only by the unanimous approval of the Board and all of the governing boards of the Member Agencies.

Section 10. WITHDRAWAL, ASSIGNMENTS OR DISSOLUTION.

10.1. Member Agency Withdrawal. Any Member Agency shall have the ability to withdraw its membership upon serving written notice of its intention to withdrawal on all other Member Agencies at least one-hundred twenty (120) days before the end of any fiscal year. However, such withdrawal by a Member Agency shall not relieve the Member Agency of its financial obligations (including, but not limited to, capital costs, debt obligations, CalPERS unfunded liability, and any net operations and maintenance costs resulting from such withdrawal) arising under this Agreement. Such obligations shall arise upon execution of this Agreement and shall include a Member Agency's proportionate obligation to acquire the Facilities from Rancho. A withdrawing Member Agency may assign and convey its capacity rights, and related obligations to another Member Agency if approved by the unanimous vote of the Board. A Member Agency

may also assign and convey its capacity rights, and related obligations, to a third party public agency, upon unanimous approval of the Board and the approval of each Member Agency's governing boards and upon written acceptance by the third party public agency of all the terms of this Agreement and all other related agreements and resolutions of the Board as well as compliance with Section 8 of this Agreement. A withdrawing Member Agency shall have no entitlement, right, or claim to the Authority's assets arising from its decision to withdraw.

10.2. Partial Sale of Capacity Rights to Member Agency. A Member Agency may assign and sell a portion of its Facilities capacity rights to another Member Agency upon unanimous approval of the Board. Unless otherwise agreed upon by the Seller and Buyer, the selling price for the partial sale of capacity rights from a Member Agency to another Member Agency shall be equal to the selling Member Agency's incurred capital cost for the capacity, including financing costs, adjusted for inflation not to exceed the annual increase in the CPI for Urban Wage Earners and Clerical Workers for the Los Angeles County, Orange County, and Riverside County areas for all the items category for the 12-month period ending the February prior to the beginning of the Fiscal Year budgeted as determined by the U.S. Department of Labor, Bureau of Labor Statistics, or other mutually agreeable source if such a CPI is no longer available.

10.3. Partial Sale of Capacity Rights to a Non-Member Agency. A Member Agency may also assign and sell a portion of its Facilities capacity rights to a third party public agency upon the unanimous approval of the Board and the approval of each Member Agency's governing boards and upon written acceptance by the third party public agency of the terms of this Agreement and all related agreements and resolutions of the Board as well as compliance with Section 8 of this Agreement.

10.4. Dissolution. The Authority may be dissolved at any time prior to the expiration of the term by unanimous vote of the Board and approval of the Member Agencies' governing boards. However, the Authority shall not be dissolved until all debts and liabilities of the Authority have been eliminated. Upon dissolution of the Authority, each Member Agency shall receive its proportionate share of any remaining assets after all Authority liabilities and obligations have been paid or settled based on each Member's Agency's respective capacity ownership at the time of dissolution. The distribution of remaining assets may be made "in kind" or assets may be sold and the proceeds thereof distributed to the Member Agencies. The distribution of any remaining assets will occur within a reasonable time after dissolution. No former Member Agency which previously withdrew from the Authority shall be entitled to a distribution upon dissolution.

## Section 11. DISPUTE RESOLUTION.

If a dispute arises as to the construction, interpretation or implementation of any portion of this Agreement or any matters that arise in connection with this Agreement, the issues of dispute or matter requiring resolution shall be submitted to non-binding mediation by an independent, neutral mediator agreed to by the Member Agencies. If no such agreement is reached as to the independent, neutral mediator, then the mediator shall be chosen by the Administrator.

## Section 12. INDEMNIFICATION.

The Member Agencies, their employees, agents, and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs, or any other cost arising out of or in any way related to the Authority. Accordingly, the provisions of this indemnity are intended by the Parties to be interpreted and construed to provide the fullest protection possible under the law to the Member Agencies.

Therefore, to the fullest extent permitted by law, the Authority shall defend, indemnify, and hold harmless the Member Agencies and their employees, agents, and officials from any liability, claims, suits, actions, arbitration, proceedings, administrative proceedings, regulatory proceedings, losses, expenses, or costs of any kind, whether actual, alleged, or threatened. actual attorney fees incurred by Member Agencies, court costs, interest, defense costs, (including expert witness fees) and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole, or in part, to the activities of the Authority.

Section 13. MISCELLANEOUS.

13.1. Section Headings. The section headings of this Agreement are for convenience only and are not to be construed as modifying or governing the language in each section.

13.2. Consent Or Approval Shall Not Be Unreasonably Withheld. Whenever in this Agreement any consent for approval is required, such consent or approval shall not be unreasonably withheld.

13.3. Applicable Laws. This Agreement is made under the laws of the State of California and is to be construed consistent with those laws.

13.4. Assignment and Succession. The Member Agencies shall not assign any rights or obligations under this Agreement without the written consent of all the Member Agencies. This Agreement shall be binding upon and shall inure to the benefit of the successors of the parties to this Agreement.

13.5. Severability. If any one or more of the terms, provisions, promises, covenants, or conditions of this Agreement shall to any extent be adjudged invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, each and all of the remaining terms, provisions, promises, covenants, and conditions of this Agreement shall not be affected thereby and shall be valid and enforceable to the fullest extent permitted by law.

IN WITNESS WHEREOF, each party hereto has pursuant to resolution duly passed and adopted by their respective governing bodies as indicated below caused this Agreement to be executed.

Elsinore Valley Municipal Water District

By: Phil Williams  
President

By: Lucy Gini  
Secretary-Treasurer

Approved by  
Board of Directors  
By Resolution No. 15-11-02

Dated: 11/12/15

Dated: 11/12/15

Rancho California Water District

By: John E. Hoagland  
President

By: Kevin J. Garcia  
Secretary-Treasurer

Approved by  
Board of Directors  
By Resolution No. 2015-11-3

Dated: 11/12/2015

Dated: 11/12/15

Western Municipal Water District of  
Riverside County

By: Donald D. Walker  
President

By: J. P. G.  
Secretary-Treasurer

Approved by  
Board of Directors  
By Resolution No. 2927

Dated: 11/16/2015

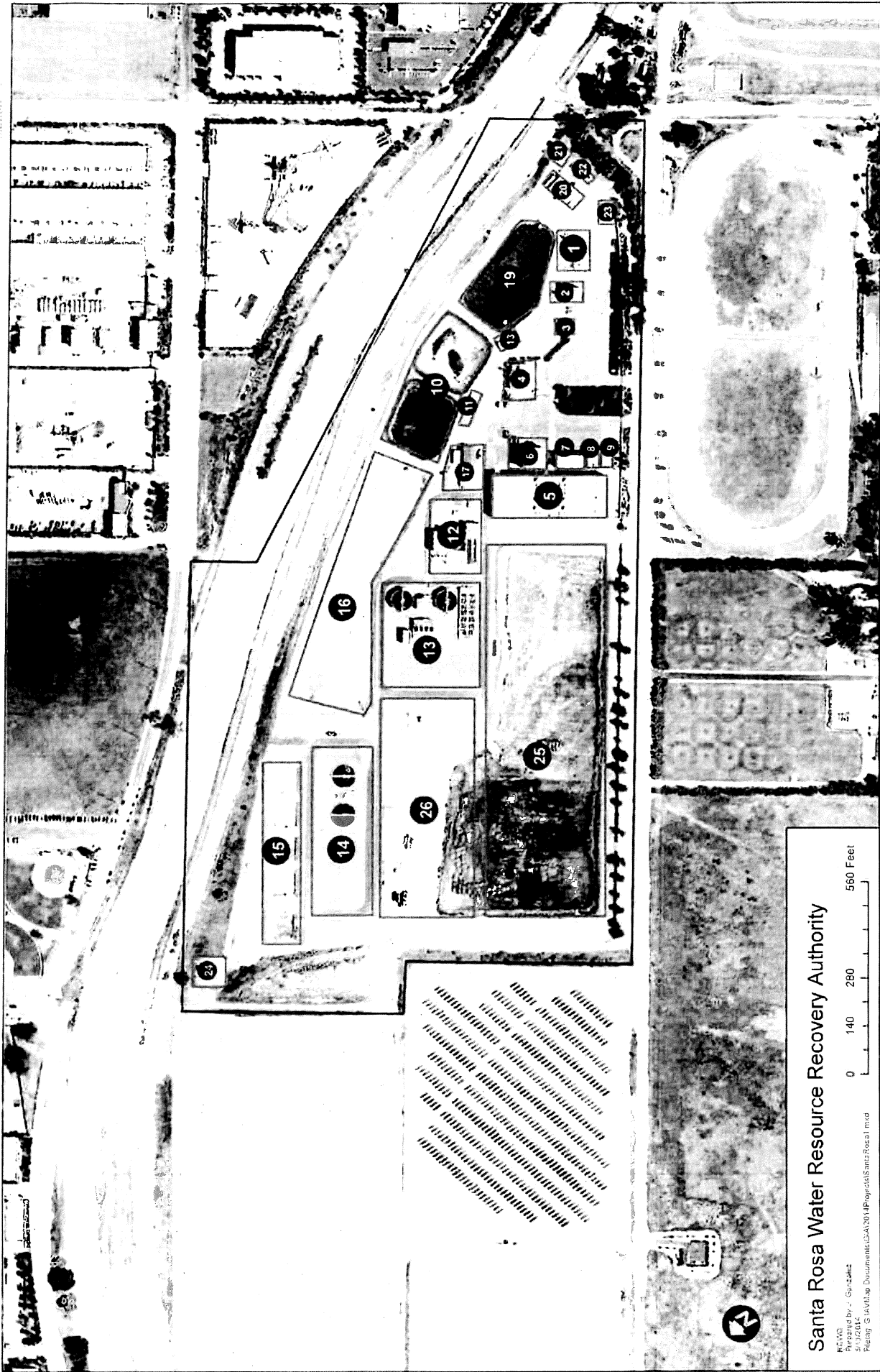
Dated: 11/16/2015

**FACILITIES PER SECTION 1.1.7 OF THE  
JOINT EXERCISE OF POWERS AGREEMENT**

<u>Map Location</u>	<u>Facility/Asset Description</u>
<b><i>Primary/Secondary Treatment Facilities</i></b>	
1	Headworks
2	Grit Chamber
3	Headworks Emergency Generator
4	Operations Building
5	SBR Basins/Aerobic Digester
6	Solids Dewatering Building
7	SBR Blower Building
8	Electrical Building
9	Solar Electrical Facility
16	Percolation Basin (non-compliant water pond)
17	SRWRF Maintenance & Collection System Building
25	Future Primary/Secondary Treatment Facility Area
<b><i>Tertiary Treatment Facilities</i></b>	
10	Equalization Basins
11	AWT Pump Station
12	AWT Facilities (Chemical Room, Chlorine Room, Operations Room & Emergency Generator)
13	AWT Facilities (Rapid Mix, Flocculation, Clarifiers, Filters & Chlorination Basin)
14	Filter Backwash Basins
15	Sludge Drying Beds (vector truck disposal area)
18	Recycled Water Splitter Box
19	Recycled Water Forebay
<b><i>Other Non-identified Facilities</i></b>	
	Asphalt Concrete Paving
	Drainage (Curb & Gutter, Swales, Culverts)
	Perimeter Walls & Fencing
	Landscaping (Plant, Rock, DG & Dirt)
	Monitoring Wells
	Trunk Sewer Pipelines & Manholes
<b><i>RCWD Facilities Not Being Acquired by JPA</i></b>	
20	Elm Street Recycled Water Pump Station Nos. 1 & 2
21	Well No. 135
22	Recycled Water Distribution System Disinfection Facility
23	Recycled Water System Algae Filters
24	Well No. 145
26	Future IPR Facility Area (Reserved for RCWD's Future Use)

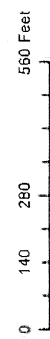
**Exhibit "A"**

(And Attached Map of Reclamation Facility)



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**Santa Rosa Water Resource Recovery Authority**



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 2/1/2014  
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**EXHIBIT B  
SCHEDULE OF DEBT**

**Exhibit "B" - Debt Schedule**  
*Values as of June 30th, 2015\**

<b>On Sewer Division Books</b>	<b>Principal</b>	<b>Unamortized Discount/(Premium)</b>	<b>Total Debt</b>	<b>Reserve Cash in Trust</b>	<b>Net Debt</b>
2002A	(4,112,974)	(187,648)	(4,300,622)	437,163	(3,863,459)
2008A	(42,617,705)	(626,672)	(43,244,377)	3,546,519	(39,697,857)
2008B	(13,973,518)		(13,973,518)	991,750	(12,981,768)
2010A	(910,768)	4,803	(905,965)		(905,965)
<b>Total</b>	<b>(61,614,964)</b>	<b>(809,517)</b>	<b>(62,424,481)</b>	<b>4,975,432</b>	<b>(57,449,050)</b>

<b>Tertiary Debt on Water Divisions Books</b>	<b>Principal</b>	<b>Unamortized Discount/(Premium)</b>	<b>Total Debt</b>	<b>Reserve Cash in Trust</b>	<b>Net Debt</b>
2002A	(237,214)	(10,822)	(248,037)	25,213	(222,824)
2005C	(3,606,090)	(168,672)	(3,774,762)		(3,774,762)
2008A	(3,359,840)	(221,425)	(3,581,265)	1,625,191	(1,956,073)
<b>Total</b>	<b>(7,203,143)</b>	<b>(400,920)</b>	<b>(7,604,064)</b>	<b>1,650,405</b>	<b>(5,953,659)</b>

<b>Total Sewer/Tertiary Debt</b>	<b>Principal</b>	<b>Unamortized Discount/(Premium)</b>	<b>Total Debt</b>	<b>Reserve Cash in Trust</b>	<b>Net Debt</b>
2002A	(4,350,188)	(198,470)	(4,548,659)	462,376	(4,086,283)
2005C	(3,606,090)	(168,672)	(3,774,762)		(3,774,762)
2008A	(45,977,544)	(848,097)	(46,825,641)	5,171,711	(41,653,931)
2008B	(13,973,518)		(13,973,518)	991,750	(12,981,768)
2010A	(910,768)	4,803	(905,965)		(905,965)
<b>Total</b>	<b>(68,818,108)</b>	<b>(1,210,437)</b>	<b>(70,028,545)</b>	<b>6,625,836</b>	<b>(63,402,708)</b>

**Asset % of Outstanding Capital Debt**

<b>SRRRA - Debt for Assets to be Acquired</b>	<b>Asset %</b>	<b>Total Debt</b>	<b>Reserve Cash in Trust</b>	<b>Net Debt</b>
Primary & Secondary Treatment	49%	\$ (34,291,563)	\$ 3,244,538	\$ (31,047,025)
Tertiary Treatment	8%	\$ (5,718,915)	\$ 541,102	\$ (5,177,813)
Collection System	34%	\$ (24,154,172)	\$ 2,285,377	\$ (21,868,795)
<b>Total SRRRA Debt</b>		<b>\$ (64,164,650)</b>	<b>\$ 6,071,017</b>	<b>\$ (58,093,633)</b>
<b>RCWD - Debt for Retained Assets</b>				
Temecula Valley Disposal Line-Rancho Only	3%	\$ (2,326,519)	\$ 220,126	\$ (2,106,392)
Land	5%	\$ (3,537,376)	\$ 334,593	\$ (3,202,683)
<b>Total RCWD Debt</b>		<b>\$ (5,863,895)</b>	<b>\$ 554,820</b>	<b>\$ (5,309,075)</b>
<b>Total SRRRA &amp; RCWD Debt</b>	100%	<b>\$ (70,028,545)</b>	<b>\$ 6,625,836</b>	<b>\$ (63,402,708)</b>

<b>Per Agency - Net Debt for Assets to be Acquired</b>	<b>%</b>	<b>RCWD</b>	<b>%</b>	<b>EVMWD</b>	<b>%</b>	<b>WMWD</b>	<b>Total</b>
Primary & Secondary Treatment	40.0%	\$ 12,418,809.87	40.0%	\$ 12,418,809.87	20.0%	\$ 6,209,404.94	\$ 31,047,024.68
Tertiary Treatment	52.0%	\$ 2,692,462.90	40.0%	\$ 2,071,125.31	8.0%	\$ 414,225.06	\$ 5,177,813.26
Collection System	36.6%	\$ 8,006,166.02	43.6%	\$ 9,528,234.19	19.8%	\$ 4,334,395.26	\$ 21,868,795.48
<b>Total</b>		\$ 23,117,438.79		\$ 24,018,169.37		\$ 10,958,025.26	\$ 58,093,633.42

\*For reference only. Values will be updated at time of asset acquisition

7252-01

SANTIAGO AQUEDUCT COMMISSION

JOINT POWERS AGREEMENT

THIS AGREEMENT, made this 11th day of September, 1961, by and between LOS ALISOS WATER DISTRICT, herein called "Los Alisos", EL TORO WATER DISTRICT, herein called "El Toro", both California Water Districts organized and existing under Division 13 of the California Water Code, and ORANGE COUNTY MUNICIPAL WATER DISTRICT, herein called "Municipal", a public district organized under the Municipal Water District Act of 1911, said entities being herein collectively called "the contracting public agencies",

W I T N E S S E T H:

WHEREAS, each of the contracting public agencies needs water from the Metropolitan Water District of Southern California; and

WHEREAS, each of the contracting public agencies has power to acquire, construct, maintain, repair, manage, operate and control water transmission pipelines for its water supply; and

WHEREAS, each of the contracting public agencies has considered the construction of its own pipeline to supply it with water from the aqueducts of said Metropolitan Water District; and

WHEREAS, one pipeline will serve the contracting public agencies, and its construction will result in the saving of substantial sums of money to each contracting

public agency over the construction by the contracting public agencies of their several separate transmission lines, and it is in the public interest that one line be constructed; and

WHEREAS, the contracting public agencies are authorized to contract with each other under Article I, Chapter 5, Division 7, Title I of the California Government Code.

NOW, THEREFORE, the contracting public agencies, for and in consideration of the mutual covenants herein contained, agree together as follows:

#### SECTION 1

(1) This agreement is made under the provisions of Article I, Chapter 5, Division 7, Title I of the Government Code of the State of California and is for the purpose of securing a water supply for each contracting public agency. El Toro and Los Alisos shall acquire and construct and the Commission herein provided for shall maintain, repair, manage, operate and control the aqueduct herein described in SECTION 6 and Municipal shall have rights to use said aqueduct, all as herein set forth. Said aqueduct is for convenience sometimes herein called the "Santiago Aqueduct".

(2) This agreement shall continue for fifty (50) years from the date hereof unless sooner terminated as herein provided or by mutual agreement of the contracting public agencies. Notwithstanding any termination of

this agreement, the capacity rights of Municipal provided in Schedule "A" shall continue as long as the Santiago Aqueduct shall be in operation; and provided that in the event the holder of any capacity rights of Municipal shall default in the payment of its pro rata share of costs of maintenance, repair and operation of said aqueduct, the capacity rights of such holder shall thereupon terminate but without affecting the rights of those holders who are in compliance with their obligations with respect to payment of such costs. This agreement may be extended as the parties hereto and their respective successors in interest may mutually agree.

## SECTION 2

(1) To administer and execute this agreement, there is hereby constituted a public entity designated the "Santiago Aqueduct Commission" (herein sometimes called "the Commission").

(2) For the specific and only purpose of construction, repair, maintenance and operation of the joint pipeline herein provided for, and subject to the limitations herein contained, the Commission may take, acquire, purchase, lease, hold and own real and personal property in any manner, of every class or description, and any estate or interest therein; contract with public agencies and private persons and corporations; exercise the right

of eminent domain, either by itself or in conjunction with any one or more of the contracting public agencies; sue separately or in conjunction with any one or more of the contracting public agencies and be sued in any court of competent jurisdiction; prescribe standards, rules and regulations for the works and facilities owned, operated, maintained or controlled by it; employ officers, professional services and labor; and do all things necessary for the proper performance of this agreement.

(3) The Commission is not authorized to construct or acquire any reservoir, pumping or water treatment facility.

### SECTION 3

The Commission shall consist of six (6) members, three (3) to be selected by El Toro, and three (3) to be selected by Los Alisos. Within five (5) days after the execution of this agreement, the governing bodies of El Toro and Los Alisos shall appoint their respective members to the Commission and shall each also appoint two (2) alternates in the order that they are to substitute for absent members. Each member and alternate shall represent and serve and be subject to removal and replacement at the pleasure of the contracting public agency appointing him. Alternates may attend all meetings of the Commission and shall be notified of all meetings. An alternate, in the order designated, may act for a member appointed by the contracting public agency appointing such

alternate at any time such member is absent from a meeting of the Commission. On the resignation, removal or incapacity of any member, the contracting public agency which appointed him shall appoint a member to replace him. Each member and each alternate shall file with the Commission a certified copy of the resolution of the contracting public agency appointing him. The Commission shall annually elect one of its members as Chairman who shall preside at all meetings, and shall also appoint a Secretary. In the event a vacancy occurs in the office of Chairman, the Commission shall elect one of its members as Chairman.

#### SECTION 4

(1) A quorum for the transaction of business of the Commission shall require the presence of a majority of its members. Any action of the Commission shall require affirmative approval by a majority of the members present at the meeting of the Commission at which such action is taken. The Commission shall adopt appropriate by-laws consistent herewith for the holding of meetings and the transaction of its business. All meetings of the Commission shall be open to the public. The Commission shall cause its Secretary to keep full minutes of all meetings which shall be public documents and available for inspection at the office of the Secretary by any interested person.

(2) No member shall receive any compensation

from the Commission for his services, but any member of the Commission may be reimbursed for expenses authorized by the Commission and incurred by such member in the conduct of the business of the Commission. Any contracting public agency appointing a member of the Commission may pay such member such compensation for his services as the contracting public agency making the appointment may determine.

#### SECTION 5

Subject to the limitations herein referred to, the Commission, for the purpose of acquiring, constructing, maintaining, repairing, managing, operating and controlling said Santiago Aqueduct, may, in its discretion, contract with one or more of the contracting public agencies or, with the approval of the employing contracting public agency, may employ the employees of a contracting public agency. All of the privileges and immunities from liability, exemptions from laws, ordinances and rules, all pension, relief, disability, workmen's compensation, and other benefits which apply to the activity of officers, agents or employees of any of said contracting public agencies when performing their respective functions within the territorial limits of their respective contracting public agencies, shall apply to them to the same degree and extent while engaged in the performance of any of their functions and other duties extraterritorially under this agreement. None of the officers, agents or employees mentioned in this SECTION



shall be deemed by reason of their employment by the Commission to be employed by any of the contracting public agencies or by reason of their employment by the Commission to be subject to any of the requirements of such contracting public agencies.

#### SECTION 6

(1) The Santiago Aqueduct will be constructed with pipe sizes and at approximate locations and hydraulic gradients, Municipal shall have capacity rights therein, El Toro and Los Alisos shall have undivided ownership therein, and the parties hereto shall participate in the costs thereof, all as shown on Schedule "A" hereto attached.

(2) Pipe sizes and hydraulic gradients of the various reaches of said aqueduct may be varied within reasonable limits from those shown in Schedule "A" provided such changes (a) do not materially increase construction costs, (b) do not decrease Municipal's capacity rights in any reach without Municipal's consent, and (c) do not decrease the capacity of said aqueduct to deliver water at the downstream ends of Reaches V and VI (Los Alisos and El Toro service connections) below the capacities of said aqueduct to deliver water at said service connections if said aqueduct were constructed with the pipe sizes, reaches and hydraulic gradients shown in said Schedule "A".

(3) The costs of said aqueduct to be shared

by the contracting public agencies as herein set forth include the costs of constructing and installing the turn-out fitting for a service connection at the downstream end of each reach of said aqueduct. The costs of constructing and installing turn-out fittings for additional service connections which may be requested by Municipal pursuant to Paragraph (4) of this SECTION 6 shall be borne by Municipal. All service connections for said aqueduct will be equipped with appropriate valves to control the flow in such connections. Except for turn-out fittings as above provided all costs of constructing, maintaining, repairing and operating service connections shall be borne by the public agencies served by the same, respectively, but so long as this agreement continues in effect all service connections shall be constructed, managed, repaired, operated and controlled by the Commission. The term "service connection" as used herein shall mean facilities for the diversion of water from said aqueduct for the account of and into the transportation or distribution system of the agency served by the connection. Service connections other than those provided for herein or in Paragraph (4) of this SECTION 6 will be allowed only on approval by the Commission.

(4) Municipal may request three (3) additional service connections to said aqueduct at such points as it may select between the upper end of said aqueduct and the downstream end of Reach V provided the total water deliveries through all the service connections of Municipal and its assigns in any reach will

not exceed the capacity rights of Municipal in such reach. All costs of such additional service connections shall be borne by Municipal.

(5) Municipal shall have the further right to have the portion of said aqueduct between the upper end thereof and the downstream end of Reach III (Rattlesnake Reservoir Service Connection) and/or Reach VI sized larger than is shown in Schedule "A" provided that such right is exercised sufficiently soon to avoid any delay in construction, and provided further that Municipal shall bear the entire costs of such enlargement. In the event said aqueduct is so enlarged Municipal shall be entitled to such additional capacity therein as results from such enlargement provided such enlargement shall not diminish the rights of Los Alisos and El Toro in said aqueduct.

(6) Municipal shall have the right to have the Commission transmit downstream for Municipal's account in various reaches of the Santiago Aqueduct water supplied Municipal by Metropolitan Water District of Southern California (herein referred to as "MWD"), or any successor of MWD, in amounts for such reaches as set forth in said Schedule "A". The Commission shall have the right to commingle water so transmitted with other water transmitted in said aqueduct, to make reasonable rules for the metering, treatment and handling of such water and for collection of costs of operation, maintenance and repair of said aqueduct. Such

rights of Municipal are for convenience herein sometimes referred to as Municipal's "capacity rights" in said aqueduct.

(7) Municipal may use its capacity rights either for its own account or for the account of others and may assign the same in whole or in part.

(8) In addition to Municipal's capacity rights above set forth, Municipal shall have until May 1, 1964, temporary capacity rights (herein called Municipal's "interim rights") to 7.5 cubic feet per second (said unit of measurement being herein designated "CFS"). Such interim rights shall fully and finally terminate on May 1, 1964. Los Alisos shall supply such interim rights to the extent of 4.5 CFS, and El Toro shall provide such interim rights to the extent of 3 CFS. Such interim rights shall, during their continuance, be subject to limitations as set forth above in Paragraph (6) of this SECTION 6 with respect to Municipal's capacity rights.

#### SECTION 7

(1) This agreement shall become effective as soon as the California Districts Securities Commission approves the execution hereof by Los Alisos and El Toro and the revised plan for supplying water to Los Alisos, El Toro and the Moulton-Niguel Water District. In the event the California Districts Securities Commission fails to give such approval by September 15, 1961, any

party hereto may terminate this agreement on written notice to the Commission and to the other contracting public agencies.

(2) As soon as this agreement becomes effective the Commission shall proceed forthwith with the completion of plans and specifications for the Santiago Aqueduct and with the construction thereof.

#### SECTION 8

Plans and specifications for the Santiago Aqueduct and for permanent facilities to be constructed therewith must be approved by the Commission. Each contracting public agency approves generally the proposed Santiago Aqueduct as set forth in said Schedule "A". The contracting public agencies hereby agree to pay their respective shares of costs of said aqueduct and facilities as required, except that Municipal will not be required to advance its share of such costs until December 1, 1961, and except further that the total costs of El Toro shall not exceed SEVEN HUNDRED EIGHTY-SEVEN THOUSAND AND NO/100 DOLLARS (\$787,000.00), and the total costs of Los Alisos shall not exceed SEVEN HUNDRED SEVENTY-SEVEN THOUSAND AND NO/100 DOLLARS (\$777,000.00). Any contracting public agency may advance more than its share of such costs and receive back the excess over its share when such amount is collected from the contracting public agency owing the same. After December 1, 1961, any delay by any district in

meeting its share of costs will bear interest at the rate of Ten Per Cent (10%) per annum. All construction contracts let by the Commission shall require the contractor to furnish a bond for faithful performance and a bond for labor and material. The Commission shall present itemized and approved bills to each contracting public agency for its share of the construction costs as and when the Commission needs funds for payment of such costs. Each contracting public agency shall on request of the Commission pay to it its share of such costs. The costs of preparation of plans and specifications and amounts spent by the contracting public agencies in condemning and acquiring easements and rights of way which are turned over to the Commission shall constitute a part of the construction costs.

#### SECTION 9

It shall be the duty of the Commission to receive water into the Santiago Aqueduct and to operate the aqueduct, including the service connections, in an efficient manner and to maintain and preserve such aqueduct in good working order and efficiency, all in accordance with good engineering practices. The Commission shall establish, levy and collect charges from the contracting agencies for payment of their respective shares of costs of maintenance and operation, which each contracting agency agrees to pay.

SECTION 10

(1) The Commission will operate the Santiago Aqueduct, control devices, and all meters and appurtenances, and will read all meters at periodic intervals and account for all water delivered to the respective contracting agencies.

(2) In the event of a discrepancy in meter readings showing a difference in water purchased and delivered to the respective contracting agencies, said discrepancy is to be adjusted in proportion to the estimated amount of water used by each contracting agency to conform with the total amount of water purchased.

(3) It is agreed that all operational costs, including the incidental accounting and administrative costs in connection therewith, will be paid by each contracting agency in proportion to their water use, and each contracting agency will reimburse the Commission immediately for its share of said costs.

(4) It is agreed that the Commission will maintain said facilities, including necessary improvements, repairs, adjustments and replacements, and that said maintenance, repair and replacement costs, including incidental accounting and administrative costs in connection therewith, will be paid by the contracting agencies in proportion to their respective percentage share of the costs of said facilities as herein provided.

SECTION 11

El Toro and Los Alisos are Districts recently formed for the specific purpose of obtaining a supplemental water supply through the facilities of the Metropolitan Water District of Southern California. Municipal has been formed since 1951 for the purpose of providing membership in the Metropolitan Water District of Southern California and contracting for delivery of Metropolitan Water District water. To the end that the operation of the Santiago Aqueduct will be maintained at the highest efficiency possible with the lowest cost, the parties agree that they will confer with each other from time to time and at least one meeting a year will be held between the directors of all the contracting agencies and their staff members for the purpose of reviewing past experiences, operating procedures and any difficulties that may develop, as well as discussions of future operation, maintenance, and any expenses in connection therewith. Should any inequities develop in the future operations under this agreement, all parties agree that they will in good faith negotiate and eliminate such inequities so that this agreement and the operation thereunder will at all times be fair to the parties.

SECTION 12

The Commission shall keep proper books of record and accounts in which complete and correct entries



shall be made of all of its transactions (including all receipts and disbursements). Said books shall, upon written request, be subject to inspection by any duly authorized representative of any of the contracting public agencies. Said books and accounts shall be audited annually by an independent certified public accountant or firm of certified public accountants and a copy of the report of such accountant or accountants shall be available for inspection at the office of the Secretary of the Commission. The Commission shall prepare an annual financial and operational report which shall be available at the office of the Secretary and a copy thereof shall be delivered to each of the contracting public agencies. The Commission shall monthly send to each of the contracting public agencies a report as to the financial condition of the Commission, including income and expenses, and a general statement as to activities of the Commission for the preceding period.

#### SECTION 13

If any section, subsection, sentence, clause or phrase of this agreement, or the application thereof to any of the contracting public agencies or any other person or circumstance is for any reason held invalid, the validity of the remainder of the agreement or the application of such provision to the other contracting public agencies or to any other persons or circumstances shall not be affected thereby. Each of the contracting public agencies hereby declares that it

would have entered into this agreement and each section, subsection, clause and phrase thereof irrespective of the fact that one or more section, subsection, sentence, clause or phrase, or the application thereof to any contracting public agency or any other person or circumstance be held invalid.

SECTION 14

Any notice or instrument required to be given or delivered hereunder may be delivered by depositing the same in any United States Post Office, registered or certified, postage prepaid, addressed as follows:

Santiago Aqueduct Commission  
401 West Eighth Street  
Santa Ana, California

El Toro Water District  
401 West Eighth Street  
Santa Ana, California

Los Alisos Water District  
Room 704  
611 Wilshire Boulevard  
Los Angeles 17, California

Orange County Municipal  
Water District  
60 Plaza  
Orange, California

or at such other address in Los Angeles or Orange County, California, as may be designated by similar notice. Any such notice or instrument shall be deemed to have been received by the party to whom the same is addressed at the expiration of twenty-four (24) hours after deposit of the same in the United States Post Office for transmission by registered or certified mail as aforesaid.

SECTION 15

Each contracting public agency agrees to levy such taxes or to issue and sell such bonds as may be required to meet its financial commitments under this agreement.

SECTION 16

It is contemplated that Municipal will in the near future transfer and convey portions of its interest in the Santiago Aqueduct to others desiring to acquire Municipal's capacity rights and interim rights. The parties hereto agree that such transfers by Municipal are permitted pursuant to this agreement and that the transferees will be entitled to use such facilities pursuant to the Rules and Regulations of the Commission. Municipal shall notify the Commission in writing of each such conveyance of its interest, disclosing the name and address of the transferee, place of delivery, and percentage of Municipal's interest acquired.

SECTION 17

This agreement may be amended by Los Alisos and El Toro without the consent of Municipal provided such amendments do not in any way affect the rights of Municipal or its successors and assigns hereunder.

IN WITNESS WHEREOF, each of the contracting public agencies which is a party hereto has caused this instrument to be executed by its respective officials theretofore duly authorized by the legislative bodies thereof.

LOS ALISOS WATER DISTRICT

By V. P. [Signature]  
President

ATTEST: [Signature]  
Secretary

EL TORO WATER DISTRICT

By [Signature]  
President

ATTEST: [Signature]  
Secretary

ORANGE COUNTY MUNICIPAL WATER DISTRICT

By [Signature]  
President

ATTEST: [Signature]  
Secretary

SCHEDULE "A"

JOINT POWERS AGREEMENT, dated August \_\_\_\_\_,  
1961, LOS ALISOS WATER DISTRICT, EL TORO WATER DIS-  
TRICT, ORANGE COUNTY MUNICIPAL WATER DISTRICT.

SECTION 1 - SANTIAGO AQUEDUCT

The Santiago Aqueduct proposed for construc-  
tion extends from a connection on the Santiago Lateral  
at MWD Station 341 / 50 to a point in Cherry Street ap-  
proximately 3200 feet northeasterly of 2nd Street.

The pipe size of each reach of the Santiago  
Aqueduct and the approximate hydraulic gradient of the  
respective service connections are as follows:

<u>Reach</u>	<u>Inside Pipe Diameter in Inches</u>	<u>Hydraulic Gradient at Downstream end of Reach (at elevation above sea level)</u>
I	48	815'
II	42	790'
III	42	775'
IV	39	725'
V	39	715'
VI	21	650'

The approximate location of the Santiago Aqueduct and its  
reaches thereof are shown on the map attached hereto. The  
capacities shown on said Map are indications of minimum  
capacities only and shall have no bearing or effect on  
the capacity or ownership rights of the parties as set  
forth in this schedule and in the Agreement to which it  
is attached.

SCHEDULE "A"

SECTION 2 - COST DISTRIBUTION

The estimated cost of the proposed Santiago Aqueduct is \$3,040,000. Subject to the provisions of this Agreement the cost of said Aqueduct shall be distributed among the three contracting public agencies in the following percentages:

Los Alisos Water District	25.6%
El Toro Water District	25.9%
Orange County Municipal Water District	48.5%

Should the total cost of the Santiago Aqueduct be less than the estimate indicated above, each contracting public agency shall pay only its percentage share of such cost.

SECTION 3 - CAPACITY RIGHTS

The Orange County Municipal Water District shall acquire capacity rights in each reach of the Santiago Aqueduct as follows:

Reach I - Santiago Lateral to Peters Reservoir	35.5 c.f.s.
Reach II - Peters Reservoir to Little Joaquin Valley	23.0 c.f.s.
Reach III- Little Joaquin Valley to Rattlesnake Reservoir	22.0 c.f.s.
Reach IV - Rattlesnake Reservoir to West Boundary of Los Alisos Water District	13.5 c.f.s.
Reach V - West Boundary of Los Alisos Water District to Los Alisos Service Connection	7.5 c.f.s.

REACH VI - Los Alisos Service Connection to El Toro Service Connection, located at Cherry Street approximately 3200 feet north-easterly of 2nd Street 0.0

All capacity in the Santiago Aqueduct in excess of that allocated above to Orange County Municipal Water District shall be distributed between Los Alisos Water District and El Toro Water District at the downstream end of Reach V in proportion to their respective percentages of ownership in Reaches I through V, inclusive.

SECTION 4 - OWNERSHIP

The Santiago Aqueduct and the respective reaches thereof, shall be owned by Los Alisos Water District and El Toro Water District as follows:

Reaches I through V, inclusive

Los Alisos Water District,  
an undivided 53.1%

El Toro Water District,  
an undivided 46.9%

Reach VI

El Toro Water District 100 %

AMENDMENT TO  
SANTIAGO AQUEDUCT COMMISSION  
JOINT POWERS AGREEMENT

THIS AGREEMENT made and entered into this 20th day of December/<sup>1974</sup>by and between LOS ALISOS WATER DISTRICT, herein called "Los Alisos", EL TORO WATER DISTRICT, herein called "El Toro", both California Water Districts organized and existing under Division 13 of the California Water Code, and MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, also known as ORANGE COUNTY MUNICIPAL WATER DISTRICT in the agreement to which this amendment relates, herein called "Municipal", a public district organized under the Municipal Water District Act of 1911, said entities being herein collectively called "the contracting public agencies",

W I T N E S S E T H

WHEREAS, the parties hereto on or about the 11th day of September, 1961, entered into that certain Santiago Aqueduct Commission Joint Powers Agreement; and

WHEREAS, it is the mutual desire of the parties hereto to make certain amendments to said Joint Powers Agreement as herein below set forth.

NOW, THEREFORE, the contracting public agencies, for and in consideration of the mutual covenants herein contained, and as a part of the mutual covenants contained in



said Joint Powers Agreement hereinabove referred to, agree together as follows:

SECTION 1

SECTION 3 of said Santiago Aqueduct Commission Joint Powers Agreement is hereby amended to provide as follows:

(1) The Commission the subject of said Santiago Aqueduct Commission Joint Powers Agreement shall consist of nine (9) members, three (3) members to be selected by El Toro, three (3) members to be selected by Los Alisos, and three (3) members to be selected by Municipal. Within five (5) days after the execution of this amendment to said Santiago Aqueduct Commission Joint Powers Agreement, the governing bodies of El Toro, Los Alisos, and Municipal shall appoint their respective members to the Commission and the governing bodies of each said district shall designate alternates to serve in the absence of the regular members. The regular members and alternates appointed to serve in the absence of the regular members so appointed shall be chosen from the governing body of the appointing district or from the staff of the appointing district; provided that said regular members so appointed shall consist of at least one member of the governing body of said appointing district. One of the Municipal Orange County Directors shall be the Director of Division 5 of said Water District of Orange County. All directors and alternates appointed by the said three respective governing bodies shall serve at the pleasure of the said governing bodies of said three agencies. Alternates may attend all meetings of the Commission and shall be notified of all meetings. An alternate may act for a member appointed

by the contract public agency appointing such alternate at any time such member is absent from a meeting of the Commission. On the resignation, removal or incapacity of any member, the contracting public agency which appointed him shall appoint a member to replace him. Each member and each alternate shall file with the Commission a certified copy of the resolution of the contracting public agency appointing him. The Commission shall annually elect one of its members as Chairman who shall preside at all meetings, and shall also appoint a Secretary. In the event a vacancy occurs in the office of Chairman, the Commission shall elect one of its members as Chairman.

## SECTION 2

SECTION 4, sub paragraph (1) of said Santiago Aqueduct Commission Joint Powers Agreement is hereby amended to provide as follows:

(1) A quorum for the transaction of business of the Commission shall consist of not less than five members present at the meeting with at least one member present from each district. Any action of the Commission shall require affirmative approval by a majority of the members present at the meeting of the Commission at which such action is taken. The Commission shall adopt appropriate by-laws consistent herewith for the holding of meetings and the transaction of its business. All meetings of the Commission shall be open to the public. The Commission shall cause its Secretary to keep full minutes of all meetings which shall be public documents and available for inspection at the office of the Secretary by an interested person. Anyone of the nine directors or alternates may make or second any motion.

### SECTION 3

SECTION 10, sub paragraph (4) of said Santiago Aqueduct Commission Joint Powers Agreement is hereby amended to provide as follows:

(1) It is agreed that the Commission will maintain said facilities, including necessary improvements, repairs, adjustments and replacements, and that all costs of items of maintenance, such as major repairs, repairs, replacements, additions, relocation, modifications, including incidental accounting and administrative costs in connection therewith, will be borne by the respective agencies on a percentage basis as set forth in Exhibit A attached to this amendment and made a part hereof as though herein set forth in full.

(2) The Commission shall bill each of its three member agencies for all costs as set forth in sub paragraph 3 of Section 10 of said Santiago Aqueduct Commission Joint Powers Agreement and as set forth in sub paragraph 4 of Section 10 of said Santiago Aqueduct Commission Joint Powers Agreement as herewith amended. Each member agency shall be responsible for billing and collection for obligations provided by said sub paragraph 3 and said sub paragraph 4 as amended.

### SECTION 4

That the Municipal Water District of Orange County is hereby made a party to each and all of the terms and provisions of said Santiago Aqueduct Commission Joint Powers Agreement dated on the 11th day of September, 1961, as herein amended.

IN WITNESS WHEREOF, each of the contracting public agencies which is a party hereto has caused this instrument to be executed by its respective officials theretofore duly authorized by the legislative bodies thereof.

LOS ALISOS WATER DISTRICT

By V. P. [Signature]  
President

ATTEST: E. T. Mc Sadden  
ASSISTANT Secretary

EL TORO WATER DISTRICT

By Hugh J. Walker  
President

ATTEST: Fred [Signature]  
Secretary

MUNICIPAL WATER DISTRICT OF  
ORANGE COUNTY, AKA ORANGE COUNTY  
MUNICIPAL WATER DISTRICT

By Clay M. Wallace  
President

ATTEST: Dennis E. MacP.  
Secretary

EXHIBIT A

<u>AGENCY</u>	<u>PERCENTAGE</u>
El Toro Water District	22.20
Los Alisos Water District	21.45
Municipal Water District of Orange	<u>56.35</u>
	TOTAL: 100.00

AMENDMENT NO. 2  
TO  
SANTIAGO AQUEDUCT COMMISSION  
JOINT POWERS AGREEMENT

(Diemer Intertie, Parallel  
Reaches to Reaches 2, 3, 4  
and 5 of the Aqueduct)

THIS AMENDMENT, made and entered into as of the 13th day of January, 1978, by and between LOS ALISOS WATER DISTRICT (herein called "Los Alisos"), EL TORO WATER DISTRICT (herein called "El Toro"), both California Water Districts, organized and existing under Division 13 of the California Water Code, and MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, also known as ORANGE COUNTY MUNICIPAL WATER DISTRICT in the Agreement to which this Amendment relates (herein called "MWDOC), a public district organized under the Municipal Water District Act of 1911, the assignees of MWDOC's capacity rights in the Santiago Aqueduct, to wit: EAST ORANGE COUNTY WATER DISTRICT (herein called "East Orange"), SANTIAGO COUNTY WATER DISTRICT (herein called "Santiago"), SANTA ANA MOUNTAINS COUNTY WATER DISTRICT (herein called "Santa Ana Mountains"), each being a County Water District organized and existing under Division 12 of the California Water Code; and IRVINE RANCH WATER DISTRICT (herein called "Irvine Ranch"), SANTA MARGARITA WATER DISTRICT (herein called "Santa Margarita"), and MOULTON-NIGUEL WATER DISTRICT (herein called "Moulton-Niguel") (not an assignee of MWDOC), each being a California Water District,

organized and existing under Division 13 of the Water Code; the COUNTY OF ORANGE, a body politic and corporate, and the SANTIAGO AQUEDUCT COMMISSION (herein called the "Commission"), created by the Santiago Aqueduct Commission Joint Powers Agreement (herein called the "Joint Powers Agreement").

W I T N E S S E T H:

WHEREAS, Los Alisos, El Toro and MWDOC, on or about the 11th day of September, 1961, entered into the Joint Powers Agreement for the construction and operation of a water transmission pipeline shown on Exhibit "A", attached hereto and made a part hereof (herein called the "Aqueduct"); and

WHEREAS, MWDOC is proposing to construct a water transmission pipeline from the Diemer Filtration Plant owned and operated by the Metropolitan Water District of Southern California (herein called "MWD") to a point at the beginning of Reach 2 of the Aqueduct (herein referred to as the "Diemer Intertie"), to convey treated water, and concurrently herewith MWDOC, to provide for such construction, has entered into an Agreement with the parties and others, which Agreement is entitled "Agreement for Construction, Operation and Maintenance of Pipeline and to Enter Into Sublease Concerning the Diemer Filtration Plant/Santiago Aqueduct Intertie" (herein called the "Diemer Agreement"); and

WHEREAS, it is in the best interests of all of the parties that treated water be delivered from the Diemer Filtration Plant

to and through portions of the Aqueduct and facilities to be constructed as provided herein, and that untreated water be delivered from the Santiago Lateral to and through portions of the Aqueduct and facilities to be constructed as provided herein, in the manner hereinafter described; and

WHEREAS, the contemplated construction of the herein described facilities and the operation of the Aqueduct will result in a change of the hydraulic gradients of the portion of the Aqueduct to be used to deliver treated water, as shown in Schedule A of the Joint Powers Agreement; and

WHEREAS, to achieve the capacities of treated and untreated water at the desired points of delivery for each of the parties, it is necessary to construct and operate parallel pipelines to Reaches 2, 3, 4 and 5 of the Aqueduct (herein collectively called "Parallel Reaches"); and

WHEREAS, the Commission has conducted flow tests of the Aqueduct to determine its capacity under existing operating conditions and has concluded that the Aqueduct operates with a Hazen-Williams friction coefficient of 140, which results in an additional capacity over design capacity of 12 c.f.s. at the end of Reach 5; and

WHEREAS, it is the mutual desire of the parties hereto to make certain amendments to the Joint Powers Agreement in order to effectuate the proposals hereinbefore set forth and provisions for representation on the Commission;



NOW, THEREFORE, the parties, for and in consideration of the mutual covenants herein contained and as part of the mutual covenants contained in the Joint Powers Agreement hereinabove referred to, agree together as follows:

SECTION 1. Section 18 is hereby added to the Joint Powers Agreement to provide as follows:

Section 18.

(1) As used in this Section 18, the following terms shall have the following meanings:

(a) "Amendment" means Amendment No. 2 to the Santiago Aqueduct Commission Joint Powers Agreement (Diemer Intertie, Parallel Reaches to Reaches 2, 3, 4 and 5 of the Aqueduct);

(b) "Aqueduct" means the water transmission pipeline shown on Exhibit "A", attached hereto and made a part hereof, together with appurtenant easements and rights of way;

(c) "Aqueduct System" means the Aqueduct and the Parallel Reaches;

(d) "Commission" means the Commission created by the Joint Powers Agreement;

(e) "Diemer Intertie" means a water transmission pipeline to be constructed from the Diemer Filtration Plant owned and operated by the MWD to a point at the beginning of Reach 2 of the Aqueduct;

(f) "Diemer Agreement" means the Agreement between the parties and others entitled "Agreement for Construction, Operation and Maintenance of Pipeline and to Enter Into Sublease Concerning the Diemer Filtration Plant/Santiago Aqueduct Intertie";

(g) "Joint Powers Agreement" means this Agreement;

(h) "MWDOC Leases" means those leases by and between MWDOC and El Toro, Los Alisos and Santa Margarita, respectively, each dated January 31, 1977, and amended concurrently with this Amendment. The MWDOC Leases, excluding the exhibits attached thereto, and the amendments to the MWDOC Leases, are attached hereto as Exhibit "B" and made a part hereof;

(i) "Parties" or "parties," unless the context in which it is used indicates otherwise, means all of the parties to this Amendment and does not include the signatories The Irvine Company or Global Western Development, Inc. ("Western");

(j) "Parallel Reaches" means the water transmission pipelines to be constructed hereunder, as shown on Exhibit "A";

(k) "Corporation" means the nonprofit corporation formed to finance the Diemer Intertie and the Aqueduct System.

(2) The parties agree that the present capacity rights in the Agreement, including 12 c.f.s. of additional capacity over the design capacity, are shown on Table 1 of Exhibit "C", attached hereto and made a part hereof. All tables hereinafter referred to are a part of Exhibit "C".

(3) MWDOC agrees to construct or cause to be constructed the Parallel Reaches as shown on Exhibit "A." MWDOC agrees to cause the contract(s) for said construction to be awarded concurrently with the contracts for the construction of the Diemer Intertie, provided that the award of contracts shall not be later than March 1, 1979, nor earlier than November 3, 1978. Said pipelines shall be constructed in the general location and of the design capacities as shown on Exhibit "A." The Aqueduct System shall be used for the purposes and operated at the minimum hydraulic grades shown on Tables 11 and 12. MWDOC agrees to cause the Parallel Reaches to be constructed and financed in the same manner as provided in the Diemer Agreement for the construction and financing of the Diemer Intertie. Any party that is obligated hereunder to pay for the construction of the Parallel Reaches, or portions thereof, may fulfill that obligation by prepaying rent, by entering into a sublease with MWDOC to lease its capacity in the Parallel Reaches, or a combination of the foregoing. El Toro and Los Alisos agree to convey their respective interests in easements and rights of way in the Aqueduct to the Commission, subject to a reservation by both Districts of present and future compatible non-exclusive easements for the mutual benefit of Los Alisos and El Toro in each Reach. The Commission is hereby authorized to lease the Aqueduct, in whole or in part, to MWDOC or to the Corporation. The lease shall provide that the Aqueduct as may be improved and integrated with the Parallel Reaches

*Handwritten initials and signatures:*  
MS  
El Toro  
Los Alisos

and operated as a new water system (herein called the "Aqueduct System) will be leased to MWDOC or to the Corporation for a term not longer than the date that bonds of the Corporation issued to finance such acquisition and construction are retired or provision for their retirement has been made.

The Commission has the authority to acquire lands, rights of way and easements necessary for the construction of the Parallel Reaches and may lease such interests in property to the Corporation. Title to all such interests in real property shall remain in the name of the Commission during the term of such lease and leaseback, and thereafter the Aqueduct System shall vest in the Commission, as Trustee, for each of the parties as to their respective capacities. For the purpose of clarification, designations have been given to the existing and Parallel Reaches of the Aqueduct. Those reaches that will convey untreated water will be designated by a reach number and a "U", and reaches that will convey treated water will be designated by a reach number and a "T". The Parallel Reaches to be constructed will be further designated by being underlined. Table 2 shows these designations.

(4) MWDOC agrees that during construction of the Diemer Intertie and the construction of the Parallel Reaches, it shall connect the Diemer Intertie to the beginning of Reach 2T of the Aqueduct, and the Commission

hereby authorizes said connection. The cost of constructing said connection shall be borne by those parties having capacity in Reach 2T in the proportion that their capacity therein bears to the total capacity of Reach 2T. The hydraulic elevation at the point of connection shall be at least 750 feet, which will result in the lowering of the elevations at the end of each Reach of the Aqueduct by 65 feet as shown on Table 3. The parties agree to said connection of the Diemer Intertie to the northern terminus of Reach 2T of the Aqueduct System and the resulting changes in hydraulic elevations.

(5) In order to increase the delivery capacity of Reaches 2T and 3T, the revised hydraulic elevations at the end of Reaches 3T (710) and 5U (650) shall be further lowered to 696 feet and 630 feet, respectively. The additional 35 c.f.s. capacity thus created in Reaches 2T and 3T will be shared by all parties in proportion to each party's investment, which includes the investment for the capacity acquired pursuant to the MWDOC Leases, in the existing Reaches 2 through 6 of the Aqueduct as shown on Table 4. Table 4 presents the allocation of said additional 35 c.f.s. The parties agree to the lowering of the hydraulic elevations, and each party accepts the allocations of the additional 35 c.f.s. capacity thus created in the manner set forth on Table 4.

(6) In order to create an additional 11 c.f.s. capacity in Reaches 2T and 3T, all parties downstream of Reach 1U (Table 6), excluding Los Alisos and El Toro, will provide an additional 4 c.f.s. capacity in Reaches 4TA and 4TB and 5T by paying the cost of incremental oversizing said reaches from an estimated 134 c.f.s. to 138 c.f.s. The additional 4 c.f.s. capacity will replace 2.1 c.f.s. of Los Alisos' capacity and 1.9 c.f.s. of El Toro's capacity in Reaches 4U and 5U. Los Alisos and El Toro agree to take said 4 c.f.s. additional capacity through Reaches 4TA, 4TB and 5T and relinquish the same amount of capacity in Reaches 4U and 5U.

After provision for the additional 4 c.f.s. capacity in Reaches 4TA, 4TB and 5T for Los Alisos and El Toro, the hydraulic elevation at the end of Reach 3T shall be lowered by 9 feet to 687 feet. The 11 c.f.s. thus created shall be shared by all parties listed on Table 6 downstream of Reach 1U on the basis of the percentages shown on Table 6. It is agreed that each party shall have the capacity thus created as set forth on Table 7.

(7) Any party may request that additional capacity be made available for purchase in Reaches 2T and 3T. The method by which such capacity shall be made available is by lowering the hydraulic elevation at the end of Reach 3T and by providing replacement capacity to Los Alisos and El Toro in Reaches 4TA, 4TB and 5T for the

delivery capability thus lost in Reaches 4U and 5U. The capacity thus created will be allocated to the parties shown on Table 6 in accordance with the percentages shown on Table 6. The costs for the oversizing of Reaches 4TA, 4TB, and 5T shall be based upon the incremental oversizing of said reaches, and shall be paid for by the parties shown on Table 6 in accordance with the percentages shown on Table 6. All parties agree that the additional capacity thus created, excepting capacity allocated to an agency requesting additional capacity, will be offered for purchase to MWDOC and will be offered for sale by MWDOC to the agency or agencies requesting the additional capacity in the manner and at the price as set forth in the provisions of paragraph 12 of this Amendment. Any request for additional capacity in Reaches 2T and 3T as herein provided shall be in writing and be received by MWDOC prior to April 1, 1978. If the total additional capacity requested exceeds 25 c.f.s., each party shall have its requested additional capacity reduced proportionately. Prior to the provisions for additional capacity as provided in this paragraph, all excess capacity of Table 10 shall be transferred in accordance with paragraph 12.

(8) Certain parties desire to cause the construction of Reaches 4TA, 4TB and 5T to obtain treated capacity in the Aqueduct System. The capacities desired to be constructed for use by these parties and for exchange for capacity in 4U and 5U are set forth on Table !

the parties therein named agrees to acquire its requested capacity as set forth on Table 5. Each named party agrees to pay its proportionate share of the cost of the requested capacity.

The parties designated in Table 6 hereby agree to pay the incremental cost of the 4 c.f.s. oversizing of Reaches 4TA, 4TB and 5T in proportion to each party's percentage shown on Table 6.

(9) Of the 75.4 requested capacity in Reaches 4TA and 4TB and the 70.4 requested capacity in Reach 5T shown for Santa Margarita on Table 5, 14.2 c.f.s. of said capacity shall be transferred to El Toro in exchange for a like capacity in Reaches 4U and 5U, which shall be transferred to Santa Margarita; 11.2 c.f.s. of said capacity shall be transferred to Los Alisos in exchange for a like capacity in Reaches 4U and 5U, which shall be transferred to Santa Margarita; and of the 75.4 requested capacity in Reaches 4TA and 4TB shown for Santa Margarita, 5 c.f.s. of said capacity shall be transferred to Irvine Ranch in exchange for a like capacity in Reach 4U, which shall be transferred to Santa Margarita. It is agreed that each of the parties shall have the capacities herein allocated.

(10) Certain parties desire to cause the construction of Reaches 2U and 3U to obtain or maintain untreated capacity in the Aqueduct System. The capacities desired to be constructed for use by these parties are set forth on Table 8. Each of the parties therein hereby agrees



to acquire its requested capacity as set forth on Table 8. Each named party agrees to pay its proportionate share of the cost of the requested capacity.

(11) If any party desires to increase the delivery capability of Reaches 4U and 5U or portions thereof by increasing the size of Reaches 2U and 3U and thus raising the gradients at the beginning of Reach 4U, it may do so by providing:

(a) That said party pays the cost of the additional size of Reaches 2U and 3U on a pro rata basis;

(b) The increased hydraulic elevation and higher flow rate in Reaches 4U and 5U will be within accepted engineering limits as determined by the Commission; and

(c) Said changes to the hydraulic gradient and flow rate will in no way adversely affect the capacity rights and hydraulic elevation of other parties in Reaches 4U and 5U.

A decision to increase the size of Reaches 2U and 3U must be made in writing to MWDOC prior to April 1, 1978; any change made after said date is subject to the consent of MWDOC and the payment of the cost hereinabove set forth and any additional cost attributable to such late request.

(12) As a result of the construction of the Parallel Reaches and the additional capacities created as hereinbefore described, some parties will have excess untreated water capacity in Reach 1U and other parties will have excess

treated water capacity in Reaches 2T and 3T. Certain parties will have a deficit of treated water capacity in Reaches 2T and 3T. MWDOC will act as pooling agent for the purchase and sale of capacity. The price for sale and purchase of such capacity is hereby determined to be the replacement cost less depreciation value of the respective reach. The price is \$16,900.00 per c.f.s. for capacity in Reach 1U and \$35,500.00 per c.f.s. for capacity in Reaches 2T and 3T. The foregoing stipulated prices shall be in effect to and including the Date of Transfer as provided in paragraph 18.

The excess capacity in Reach 1U is set forth on Table 9. The excess capacity in Reaches 2T and 3T, exclusive of capacities that may be created pursuant to paragraph 7 of this Agreement, is set forth on Table 10. MWDOC agrees to purchase, and the respective parties agree to sell, a sufficient amount of their excess capacities in the respective Reaches as shown on Tables 9 and 10 in order to meet the deficit demand of the parties as shown on said tables and as may be requested by any party from any excess capacity in Reaches 1U, 2T or 3T from time to time in the future. If necessary, MWDOC shall prorate all purchases of excess capacity in proportion to the excess capacity then available as set forth on Tables 9 and 10 and as may be changed by subsequent purchases and sales. Any party may withdraw or increase its excess capacity set forth on Tables 9 and 10 at any time after the initial

deficit demands as shown on said tables have been satisfied.

After the initial deficit demands for capacity as shown on Tables 9 and 10 have been satisfied, prior to MWDOC making any other purchases and sales of excess capacity in Reaches 1U, 2T or 3T, exclusive of capacity created as a result of paragraph 7 of this Agreement, in response to a request in writing to so purchase, MWDOC shall immediately notify all parties, and each party shall have the right, within thirty (30) days after the receipt of said notice, to withdraw its capacity from sale or may request the purchase of excess capacity.

Each of the parties shown on Tables 9 and 10 which has a deficit capacity agrees to purchase from MWDOC, and MWDOC agrees to sell said capacities to said parties. If the net amounts paid to Santa Ana Mountains, Western and the County of Orange for their respective capacities in Reaches 2T and 3T is less than their respective costs for replacement capacity of 6 c.f.s. for Santa Ana Mountains, 2.5 c.f.s. for Western, and 1 c.f.s. for the County of Orange in Reaches 2U and 3U, then MWDOC, as the pooling agent, shall obtain any necessary funds by virtue of the foregoing by adjusting its purchase price to those parties purchasing capacity in Reaches 2T and 3T.

(13) The summary of design capacities in the treated water system after all conditions hereinbefore set forth have been met are summarized on Table 11. The summary

of design capacities in the untreated water system after all conditions hereinbefore set forth have been met are summarized on Table 12. All capacities summarized on Tables 11 and 12 are design capacities, and if any Reach has an actual capacity of more or less than its design capacity, the parties having capacity in that Reach shall share such loss or increase in proportion to their respective capacities; provided, however, 18.3 c.f.s. of the Los Alisos capacity in Reaches 2T, 3T, 4TA 4TB, and 5T, and 16.1 c.f.s. of El Toro's capacity in said Reaches, shall be deducted from their capacities in said Reaches in determining each party's proportionate share of any loss of capacity under design capacity. The parties agree that each party's capacity in the Aqueduct System and the minimum hydraulic gradients, after all conditions hereinbefore stated have been met as set forth on Tables 11 and 12.

(14) The parties which will have untreated capacity in the untreated water lines agree to the conversion of the untreated water lines to treated water lines at no additional cost other than the cost of connection to an appropriate treated water line if such source becomes available to said parties.

(15) If the County of Orange or Western or Western's assignees or successors have not executed this Amendment

by Noon on January 12, 1978, it shall nonetheless be effective although not executed by all such persons or entities. In that event, MWDOC agrees to seek to obtain all such signatures prior to April 12, 1978. In the event such does not occur, MWDOC shall, on or before such date, initiate and diligently pursue to completion a judicial proceeding to acquire such interests or to determine such signature is not necessary, all of which shall be done at the cost of MWDOC. In addition, MWDOC shall indemnify and hold harmless all other parties from all claims from any such party that does not execute this Agreement.

Santa Ana Mountains has heretofore commenced annexation proceedings to acquire Western's interest in the Aqueduct and hereby agrees to take all reasonable steps and to diligently pursue to acquire Western's interests in the Aqueduct System.

(16) The Commission agrees to operate and maintain the facilities for the benefit of all the parties in the manner herein provided:

(a) The parties agree that operation costs for all pipeline facilities will be in accordance with Section 10 of the Joint Powers Agreement;

*AD*  
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*Comms*  
*dem*  
*Rob*

(b) The parties agree that maintenance costs shall be allocated on the basis of the proportion that the product of the capacity of each party times the length through which it has such capacity bears to the product of the total capacity times the length of the entire treated and untreated system. Table 13 presents the proposed maintenance allocations by percentage, based upon Tables 11 and 12;

(c) The parties agree that the cost of capital repairs and improvements, defined as items costing in excess of \$20,000 and having a useful life of five (5) years or greater, in any Reach, will be allocated on the basis of the proportion that the capacity a party has in that Reach bears to the total capacity in that Reach. Table 14 shows the percentage ownership by Reach based upon Tables 11 and 12; and

(d) It shall be the duty of MWDOC to provide the parties water from such sources as permitted by law, including, if a party requests, water from the Orange County Basin, so long as the inclusion of such water does not adversely affect any other party in any manner. This shall include, but not by way of limitation, all applicable State and Federal requirements. The party requesting water from other sources or the Orange County Basin to be commingled shall indemnify and hold harmless the other parties for any damages caused by

such water. Also, such rights and obligations are subject to the terms and conditions required by such sources.

(17) The MWDOC Leases are incorporated herein and by reference made a part hereof. All rights of the parties in and to the Aqueduct or Aqueduct System capacity are as shown, defined and listed in this Agreement. Although the MWDOC Leases shall remain in effect and survive this Agreement, the Joint Powers Agreement, the provisions of the Joint Powers Agreement and this Agreement shall prevail and govern, should there be any conflict between the provisions of the MWDOC Leases and this Agreement. Nothing contained in the MWDOC Leases shall affect the rights of the other parties to their respective capacities.

(18) All transfers of capacity rights and payments therefor and the method of payment of operation and maintenance and capital repairs herein provided shall be effective on the date determined by the Commission that the Diemer Intertie and the Parallel Reaches are completed and operational (herein called the "Date of Transfer").

It is contemplated that liability for costs of feasibility, planning, design, environmental studies, engineering, legal, construction and financing costs

for the project will be incurred by MWDOC. If any of such costs are paid or liability to pay is incurred by MWDOC and the project is not completed because of failure to obtain financing or as a result of legal action, or for any other reason, then each Participant shall pay its proportionate share of such costs and interest thereon at the rate of six percent (6%) per annum from the date paid. If the Project terminates prior to the date of delivery of the Corporation's bonds issued to finance construction of the Aqueduct System, then the proportionate share of the total costs incurred of each party shall be determined by dividing the total of all the estimated costs to construct and convert the Aqueduct System into each party's estimated share of such costs. The quotient shall equal the party's percentage share of such costs incurred.

If the project terminates subsequent to the date that the Corporation's bonds to finance the project have been delivered, then the proportionate share of the parties' expenses shall be determined in the same manner, based on the construction contract amounts and/or actual expenses, except that the Prepaid Rent Participants, as defined in the Diemer Agreement, shall not pay any portion of those costs related to the Corporation bond financing of the project, which will be paid by Semi-Annual Rent Participants.

(19) In the event any dispute shall arise among any of the parties hereto with reference to construction or operation and maintenance, and such disputes cannot be



settled by conference among the parties and their engineers and officers within a period of ten (10) consecutive calendar days after such dispute arises, or within such future time as the parties may agree upon, in writing, then such disputes shall be settled by arbitration in the following manner:

The party calling for arbitration shall give written notice to all other parties, requesting arbitration, setting forth in such notice in detail the nature of the dispute, including the specific issued to be resolved by arbitration, the amount or amounts, if any, involved in such dispute, the remedy sought, and the parties with respect to whom such remedy is sought by such arbitration proceedings. A rebuttal statement by the responding party shall be prepared within ten (10) days following receipt of such notice and shall be given to all other parties. The written notice and rebuttal statement shall constitute the submittal statement.

Within five (5) consecutive calendar days after such arbitration shall be requested in writing by any of the parties, each party shall appoint an arbitrator and give written notice thereof to the other parties, and within five (5) consecutive calendar days thereafter, said arbitrators shall select one or more additional arbitrators, if necessary, in order to have an odd-numbered board of

arbitration, and give written notice thereof to the parties hereto. In case of the failure of the arbitrators first appointed to select such additional arbitrators, then the arbitrators shall request from the American Arbitration Association (or a similar organization, if the American Arbitration Association should not at that time exist) a list of arbitrators who are qualified and eligible to serve, as hereinafter provided. The arbitrators selected by the parties shall take turns striking names from the list of arbitrators furnished by the American Arbitration Association, and the last names remaining on said list shall be the additional arbitrators. All arbitrators shall be persons skilled and experienced in the field which gives rise to the dispute, and no person shall be eligible for appointment as an arbitrator who is an officer or employee of any of the parties to the dispute or is otherwise interested in the matter to be arbitrated. The arbitrators so appointed (in either manner) shall fix a convenient time and place in the County of Orange to hear the matter to be arbitrated and shall give written notice thereof to each party hereto at least five (5) consecutive calendar days prior to the date so fixed, and said arbitrators shall with reasonable diligence hear and determine the matter in accordance with the provisions of this Agreement and the statutes and judicial decisions of the State of California and the rules and practices of the American

Arbitration Association (or the rules of a similar organization, if the American Arbitration Association should not at that time exist) at the time applicable thereto, and shall execute and acknowledge their findings of fact and decision thereon in writing, including the merits of the respective positions of the parties in dispute, the materiality of any default and the remedy or relief which shall be required to resolve the dispute. The arbitrators shall also specify the time within which the parties shall comply with the arbitrators' award and the remedies which may be exercised by the prevailing party in the event the relief or remedy is not implemented within such period of time. In no event shall the award of the arbitrators contain findings on issues not contained or grant a remedy beyond that sought in the submittal statement. The decision of the majority of said arbitrators shall determine the questions arbitrated, and a judgment may be rendered upon such decision by any court of competent jurisdiction, or said decision may be vacated, modified or corrected by said court at the insistence of any of the parties hereto, in accordance with the then-existing statutes of the State of California applicable to arbitration, the provisions of which statutes shall apply hereto as fully as if incorporated herein; and further provided that each of the parties involved in any such disputes shall pay for the services of its appointee and its allocated share of the proper

costs of arbitration, other than attorneys' fees and witness fees. The prevailing party or parties shall be entitled to reasonable costs, consultants' fees, expert witness fees, and attorneys' fees, as determined by the arbitrators.

SECTION 2. Section 3 of the Joint Powers Agreement is hereby amended by adding the following after the sentence ending with the word "members" on the eleventh line thereof:

Effective the next regular meeting date of the Commission following the Date of Transfer referred to in Section 18 hereof, a new Commission shall be created. The new Commission shall consist of seven (7) members, one (1) member to be selected by each of the following public agencies:

El Toro Water District;  
Los Alisos Water District;  
Irvine Ranch Water District;  
Santa Margarita Water District;  
Santa Ana Mountains County Water  
District;  
Moulton-Niguel Water District; and  
Municipal Water District of Orange County.

Each member shall have one vote. It is understood that MWDOC will be representing its agency and East Orange, Santiago, the County of Orange, The Irvine Company, and Western. The new Commission shall take over the management and operation of the Aqueduct System on the date of its creation.

The governing bodies of each public agency shall appoint their respective members to the Commission and

may also designate a first and second alternate to serve in the absence of the regular members.

SECTION 3. Section 1 of the Joint Powers Agreement is hereby amended by striking the first sentence of Section I(2) and in lieu thereof, adding the following:

"This Agreement shall continue in perpetuity unless sooner terminated by mutual agreement of the parties to Amendment No. 2 hereof."

SECTION 4. It is not the intent of the parties that The Irvine Company and Western, by executing this Amendment, become parties to the Joint Powers Agreement. Said entities are signatories hereto for the purpose of agreeing to the Amendment, in that their interests are affected hereby.

SECTION 5. This Amendment shall not be effective until approved by the Office of the State Treasurer, District Securities Division.

SECTION 6. If there is a conflict between the provisions of the Joint Powers Agreement and this Amendment, the provisions of this Amendment No. 2 shall prevail.

SECTION 7. This Amendment shall be executed by all parties in duplicate, each of which shall be considered an original Amendment. The Amendment executed by each of the parties shall be identical to this Amendment, and each Amendment may not be altered or changed without the consent of all the remaining parties.

IN WITNESS WHEREOF, each of the parties hereto has caused this Instrument to be executed by its respective officials theretofore duly authorized by the legislative body thereof or its corporate board.

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: January 12, 1978

EL TORO WATER DISTRICT

By Hugh J. Walker  
President

By Fritz Stodding  
Secretary

DATED: 1-25-78

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, formerly known as ORANGE COUNTY MUNICIPAL WATER DISTRICT

By Gene M. McCallach  
President

By Dennis E. MacP...  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

MOULTON-NIGUEL WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTA ANA MOUNTAINS COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTA MARGARITA WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: January 12, 1978

SANTIAGO AQUEDUCT COMMISSION

By Hugh J. Walker  
Chairman

By Julie Stradling  
Secretary

DATED: \_\_\_\_\_

SANTIAGO COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

THE IRVINE COMPANY, A  
Michigan Corporation

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary



DATED: \_\_\_\_\_

GLOBAL WESTERN DEVELOPMENT  
CORPORATION, INC.  
(Formerly Whiting Ranch)

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

COUNTY OF ORANGE

BY \_\_\_\_\_

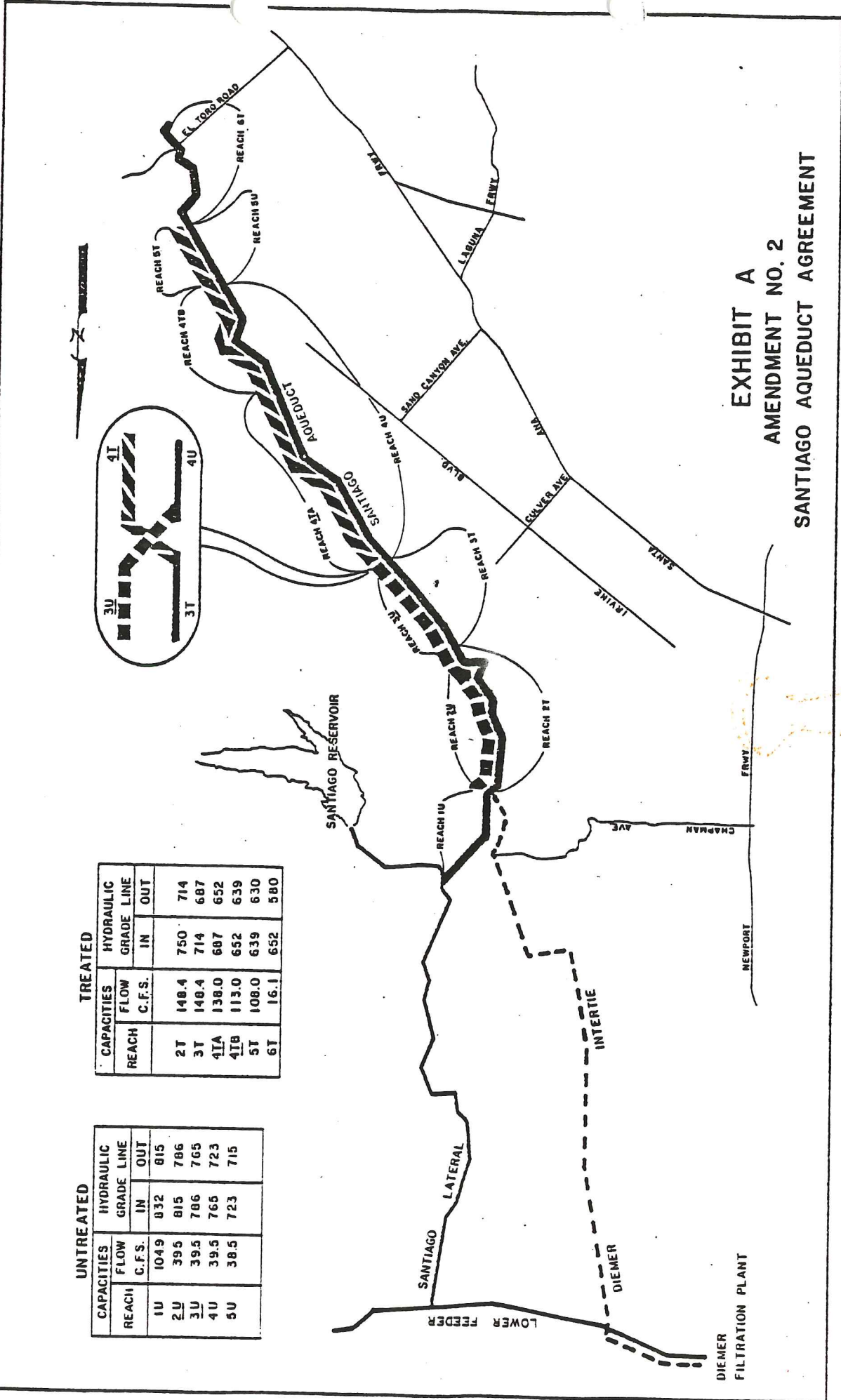
BY \_\_\_\_\_

**UNTREATED**

REACH	CAPACITIES		HYDRAULIC GRADE LINE	
	FLOW C.F.S.		IN	OUT
1U	1049		832	815
2U	395		815	786
3U	395		786	765
4U	39.5		765	723
5U	38.5		723	715

**TREATED**

REACH	CAPACITIES		HYDRAULIC GRADE LINE	
	FLOW C.F.S.		IN	OUT
2T	148.4		750	714
3T	148.4		714	687
4TA	138.0		607	652
4TB	113.0		652	639
5T	108.0		639	630
6T	16.1		652	580



**EXHIBIT A  
AMENDMENT NO. 2  
SANTIAGO AQUEDUCT AGREEMENT**

LEASE AGREEMENT

A.F.W.  
ETM  
JAN  
31 1977  
5th

This Lease Agreement made and entered into this \_\_\_\_\_ day of January, 1977, by and between Municipal Water District of Orange County, a municipal water district organized under the Municipal Water District Law of 1911 (hereinafter called "Municipal"), Lessor, and Los Alisos Water District (hereinafter called "Los Alisos"), Lessee.

W I T N E S S E T H:

WHEREAS, Municipal has entered into a certain Joint Powers Agreement and Amendment thereto with Los Alisos and El Toro Water District (hereinafter called "El Toro"), a copy of which is hereto attached marked Exhibit "A" and made a part hereof by reference; and

WHEREAS, pursuant to the terms and provisions of said Joint Powers Agreement as amended, Municipal has acquired approximately 45 c.f.s. of capacity rights in Reaches 1, 2 and 3 in a line (hereinafter referred to as "the line") built under the provisions of said Joint Powers Agreement and is willing to lease portions of said capacity rights under proper circumstances; and

WHEREAS, Municipal has thereafter assigned 4 c.f.s. of its capacity in Reach 1 of said line to Santiago County Water District and has assigned 10 c.f.s. of its capacity in Reach 1 of said line to East Orange County Water District; and

WHEREAS, Lessee desires to lease from Municipal 10/45 of said capacity rights, the property of Municipal;

NOW, THEREFORE, it is understood and agreed by and between the parties hereto as follows:

EXHIBIT B

1. Municipal does hereby lease to Los Alisos 10/45 of its said capacity rights in Reaches 1, 2 and 3 of the line so acquired by Municipal under said Joint Powers Agreement as amended attached hereto as Exhibit "A".

2. Lessee agrees that in leasing said capacity rights the subject of this Agreement, it acquires under lease only the rights to said capacity so leased in the line which by the provisions of said Joint Powers Agreement as amended are given to Municipal and Lessee agrees to take its said lease interest herein provided subject to the obligations of said Joint Powers Agreement as amended so far as they pertain to the capacity rights herein leased and Lessee agrees to perform each and all the obligations of said Joint Powers Agreement as amended insofar as they pertain to the capacity rights therein the subject of this Lease.

In Sections 1 and 2 of the First Amendment to said Joint Powers Agreement, a part of Exhibit "A", are provisions with respect to representation as members of the Commission. It is agreed that Municipal will preserve its representation on said Commission and sit as provided in Sections 1 and 2 of said amended Agreement.

3. The term of this Lease shall be for a period of thirty (30) years commencing on the date hereinabove set forth and ending thereafter at Midnight on the last day of said thirty-year period.

4. As rent Lessee agrees to pay Municipal the sum of \$ 530,147.50 payable in annual installments of \$ 17,578.25 each, which includes interest at 6-1/2% per annum on the deferred balance, which said annual amounts Lessee agrees to pay to Lessor at the place as may be designated from time to time by Lessor on the first day of each and every year of the term of this Lease.

5. It is understood that the lease rights acquired under this Lease Agreement by Lessee relate only to capacity in

the line and not to actual flow of water which water supply shall be subject to the regulations from time to time made by those entities including Municipal and Metropolitan Water District of Southern California from which said water supply may be obtained.

6. It is understood by Lessee that as hereinabove recited, Municipal has heretofore assigned 4 c.f.s. of its capacity in Reach 1 of said line to Santiago County Water District and has assigned 10 c.f.s. of its capacity of Reach 1 of the line to East Orange County Water District. Municipal will endeavor to negotiate with said Santiago County Water District and East Orange County Water District for the purpose of paralleling Santiago Aqueduct with a line of a minimum of 14 c.f.s. capacity and by agreement transfer the said capacities of said Santiago County Water District and East Orange County Water District in the line to said parallel line.

In the event Municipal shall be unable to transfer over into said proposed parallel line the said Santiago County Water District and said East Orange County Water District, Municipal agrees that it will by other means make available to Lessee at the downstream end of Reach 1, 10 c.f.s. capacity. Such other means include at the election of Municipal, (a) the construction by Municipal of a line parallel to said Reach 1 of the line sufficient in capacity to bring Municipal's said c.f.s. capacity at the downstream end of Reach 1 of the line to the said capacity herein referred to; or (b) an intertie line from the Deimer Plant of the Metropolitan Water District of Southern California to Santiago Lateral to bring Municipal's said c.f.s. capacity at the downstream end of Reach 1 of the line to the capacity herein referred to on terms agreed to by Municipal, Lessee, El Toro, and Santa Margarita Water District (hereinafter called "Santa Margarita"); or (c) such

other means as mutually agreed upon by Municipal, Lessee, El Toro and Santa Margarita. When said capacity in Reach 1 of said line reaches the c.f.s. capacity herein referred to, Lessee will pay to Lessor as additional rent under this Lease the amount which equals  $10/45$  of the cost to Municipal, which will include interest at  $6-1/2\%$  per annum on the deferred balance, to make said capacity available by any of the choices hereinabove set forth divided by the number of years left in the then unexpired term of this Lease.

7. This is a net lease by Municipal and each and all rents herein provided to be paid to Municipal shall be paid without offset or deduction. It is understood that Lessee assumes and agrees to pay on demand all amounts applicable to the capacity the subject of this lease as provided by said Joint Powers Agreement marked Exhibit "A" and amendments thereto.

8. Lessee shall during the term of this lease be responsible for all risks of loss or destruction of this capacity the subject of this lease and the rent herein provided and Lessee's agreement to pay said rent is unconditional and absolute.

9. In the event of any breach of any provisions of this lease by Lessee, then Municipal, in addition to other rights or remedies it may have, may and shall have the right, after 90 days from the inception of such default, if said default shall not have in said 90 day period been cured, to retake possession and control of the capacity the subject of this lease pursuant to legal proceedings or pursuant to any notice provided by law and it may terminate this lease and thereafter deal with the capacity the subject of this lease as its own. In the event of such default, Municipal reserves the right in addition to the other elections herein provided, to surcharge on all water for the account of Lessee running through the facilities the subject of said Joint Powers Agreement marked Exhibit "A" and amendments thereto. In the event of such default by Lessee, Lessee shall be liable to

pay Municipal all costs and expenses incurred by Municipal arising in any way because of said breach by Lessee.

10. All notices to be given to the parties to this lease shall be given in writing, personally, or by depositing the same in the U. S. Mail, postage prepaid, addressed to the other as follows:

Municipal Water District  
of Orange County  
17332 Irvine Boulevard, Suite G  
P. O. Box 315  
Tustin, California 92680

Los Alisos Water District

11. The waiver by Municipal of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of any rent hereunder by Municipal shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this lease other than the failure of Lessee to pay the particular rent so accepted regardless of Municipal's knowledge of such preceding breach at the time of acceptance of such rent.

12. Time is of the essence of this lease.

13. At the expiration of the term of this lease, provided that Lessee shall during the term of this lease have complied with its terms and provisions, Lessee shall have the right to an extended term of ten (10) years on the same terms and provisions as by this lease provided and subject to the terms and provisions of the said Joint Powers Agreement marked Exhibit "A" and amendments thereto,

EXHIBIT D

except rent and at an annual rent of One Dollar. The election of Lessee to take said extended term shall be made by notice in writing given as in Paragraph 10 herein provided at least 150 days prior to the expiration of the term of this lease.

At the end of each 10-year period of extension of this lease term, provided Lessee is in all respects in compliance with the lease terms, it may in the manner herein provided take another extended 10-year term of this lease.

14. It is contemplated that the water needs of Lessee, El Toro and Santa Margarita, or any of them will require paralleling with another line of a minimum of 45 c.f.s. capacity in Reaches 4 and 5 of the Santiago Aqueduct the subject of said Exhibit "A". It is estimated that this paralleling of said Reaches 4 and 5 of said Aqueduct will be required by July 1, 1981. Lessee hereby agrees that the cost of and sharing in capacity in said paralleling line shall be divided between Los Alisos, El Toro and Santa Margarita on the basis of 10/45 to each Los Alisos and El Toro and 25/45 to Santa Margarita. Should one or more of said Lessee, El Toro and Santa Margarita elect to have constructed the said capacity in said parallel line prior to July 1, 1981, and the other or others shall not so need such capacity at the time of such election, then the other or others of said Los Alisos, El Toro and Santa Margarita shall participate in financing said capacity on an oversizing basis only until July 1, 1981; at which time costs between said Lessee, El Toro and Santa Margarita shall be redistributed on a basis proportionate to said capacities.

Should one or more of said Lessee, El Toro and Santa Margarita on July 1, 1981, fail to share in the cost of construction of said parallel line to said Reaches 4 and 5, Municipal at its election may advance the share of such entity failing to so share



in such costs of said paralleling and shall have the right to surcharge said entity so failing to share on all water delivered to that entity through the facilities the subject of said Joint Powers Agreement marked Exhibit "A" and amendment thereto in order that Municipal may reimburse itself said outlay.

15. Municipal retains the right to reacquire the capacity leased to Lessee in Reaches 1 through 3 or any modification thereof of said Aqueduct the subject of this lease, provided that Municipal furnishes to said Lessee equivalent water service at the same point of delivery, the same pressure and elevation and capacity or as modified on approval by Lessee. Notice of said election shall be given 120 days prior to the effective date of said election.

16. Lessee may not assign this lease or sublet any part of the rights of Lessee under this lease except with the previous written consent of Municipal had and obtained.

IN WITNESS WHEREOF, the parties hereto have executed this lease on the date first hereinabove set forth.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

ATTESTED:

Annis E. Miller  
Secretary

By Clare M. McCreesh  
President

LOS ALISOS WATER DISTRICT

ATTESTED:

E. T. McAdams  
Assistant Secretary

By A. J. [Signature]  
President

APPROVED AS TO FORM  
HARWOOD & ADKINSON  
Legal Counsel -  
L.A.W.D.

By Don R. Adkinson  
Don R. Adkinson

AMENDMENT NO. 1 TO LEASE AGREEMENT  
SANTIAGO AQUEDUCT REACHES 1, 2 AND 3  
LOS ALISOS WATER DISTRICT

WHEREAS, Municipal Water District of Orange County (hereinafter referred to as "Municipal") and Los Alisos Water District entered into a lease of capacity in Reaches 1, 2, and 3 of the Santiago Aqueduct on the 31st day of January, 1977; and

WHEREAS, Municipal and Los Alisos Water District and certain other water agencies and parties have entered into agreements to build a pipeline project known as the Diemer Intertie and to connect such project into the Santiago Aqueduct at Reach 2; and

WHEREAS, the connection of the Diemer Intertie to the Santiago Aqueduct will require that the Santiago Aqueduct be changed by lowering the hydraulic gradient of the Santiago Aqueduct, constructing parallel lines to the existing Santiago Aqueduct lines, and reallocating existing capacity in the present Santiago Aqueduct; and

WHEREAS, it is necessary to amend the existing Lease Agreement to facilitate the changes in the Santiago Aqueduct; and

WHEREAS, Municipal has agreed to assign an additional 0.7 c.f.s. to Santiago County Water District, which assignment shall be effective on the Date of Transfer as defined in

Amendment No. 2 to the Joint Powers Agreement of the Santiago Aqueduct Commission; and

WHEREAS, Los Alisos Water District finds that 0.35 c.f.s. of its leased capacity under this Lease Agreement is not needed after the Date of Transfer; and

WHEREAS, the obligations of Municipal as set forth in Sections 6 and 14 of the Lease Agreement will not be applicable after the Date of Transfer;

NOW, THEREFORE, in consideration of the mutual promises of the parties hereto and for other valuable consideration, the parties hereto agree as follows:

1. The Lease Agreement is hereby amended as follows:

A. Strike Section 1 of the Lease Agreement, and insert the following:

"1. Municipal does hereby lease to Los Alisos Water District 9.7/45 of its said capacity rights in Reach 1, and 10/45 of its said capacity rights in Reaches 2 and 3 of the line so acquired by Municipal under said Joint Powers Agreement as amended, attached hereto as Exhibit 'A'."

B. Strike Section 4 of the Lease Agreement, and insert the following:

"4. As rent Lessee agrees to pay Municipal the sum of \$521,191.50, payable in annual installments of \$17,373.05 each, which includes interest at 6-1/2 percent per annum on the deferred balance,



LEASE AGREEMENT

This Lease Agreement made and entered into this <sup>31st</sup> ~~31st~~ day of January, 1977, by and between Municipal Water District of Orange County, a municipal water district organized under the Municipal Water District Law of 1911 (hereinafter called "Municipal"), Lessor, and El Toro Water District (hereinafter called "El Toro"), Lessee. New  
EWS  
HTW  
JRA

W I T N E S S E T H:

WHEREAS, Municipal has entered into a certain Joint Powers Agreement and Amendment thereto with El Toro and Los Alisos Water District (hereinafter called "Los Alisos"), a copy of which is hereto attached marked Exhibit "A" and made a part hereof by reference; and

WHEREAS, pursuant to the terms and provisions of said Joint Powers Agreement as amended, Municipal has acquired approximately 45 c.f.s. of capacity rights in Reaches 1, 2 and 3 in a line (hereinafter referred to as "the line") built under the provisions of said Joint Powers Agreement and is willing to lease portions of said capacity rights under proper circumstances; and

WHEREAS, Municipal has thereafter assigned 4 c.f.s. of its capacity in Reach 1 of said line to Santiago County Water District and has assigned 10 c.f.s. of its capacity in Reach 1 of said line to East Orange County Water District; and

WHEREAS, Lessee desires to lease from Municipal 10/45 of said capacity rights, the property of Municipal;

NOW, THEREFORE, it is understood and agreed by and between the parties hereto as follows:

EXHIBIT D

1. Municipal does hereby lease to El Toro 10/45 of its said capacity rights in Reaches 1, 2 and 3 of the line so acquired by Municipal under said Joint Powers Agreement as amended attached hereto as Exhibit "A".

2. Lessee agrees that in leasing said capacity rights the subject of this Agreement, it acquires under lease only the rights to said capacity so leased in the line which by the provisions of said Joint Powers Agreement as amended are given to Municipal and Lessee agrees to take its said lease interest herein provided subject to the obligations of said Joint Powers Agreement as amended so far as they pertain to the capacity rights herein leased and Lessee agrees to perform each and all the obligations of said Joint Powers Agreement as amended insofar as they pertain to the capacity rights therein the subject of this Lease.

In Sections 1 and 2 of the First Amendment to said Joint Powers Agreement, a part of Exhibit "A", are provisions with respect to representation re members of the Commission. It is agreed that Municipal will preserve its representation on said Commission and sit as provided in Sections 1 and 2 of said amended Agreement.

3. The term of this Lease shall be for a period of thirty (30) years commencing on the date hereinabove set forth and ending thereafter at Midnight on the last day of said thirty-year period.

4. As rent Lessee agrees to pay Municipal the sum of \$ 574,552.50 payable in annual installments of \$ 19,751.75 each, which includes interest at 6-1/2% per annum on the deferred balance, which said annual amounts Lessee agrees to pay to Lessor at the place as may be designated from time to time by Lessor on the first day of each and every year of the term of this Lease.

5. It is understood that the lease rights acquired under this Lease Agreement by Lessee relate only to capacity in

the line and not to actual flow of water which water supply shall be subject to the regulations from time to time made by those entities including Municipal and Metropolitan Water District of Southern California from which said water supply may be obtained.

6. It is understood by Lessee that as hereinabove recited, Municipal has heretofore assigned 4 c.f.s. of its capacity in Reach 1 of said line to Santiago County Water District and has assigned 10 c.f.s. of its capacity of Reach 1 of the line to East Orange County Water District. Municipal will endeavor to negotiate with said Santiago County Water District and East Orange County Water District for the purpose of paralleling Santiago Aqueduct with a line of a minimum of 14 c.f.s. capacity and by agreement transfer the said capacities of said Santiago County Water District and East Orange County Water District in the line to said parallel line.

In the event Municipal shall be unable to transfer over into said proposed parallel line the said Santiago County Water District and said East Orange County Water District, Municipal agrees that it will by other means make available to Lessee at the downstream end of Reach 1, 10 c.f.s. capacity. Such other means include at the election of Municipal, (a) the construction by Municipal of a line parallel to said Reach 1 of the line sufficient in capacity to bring Municipal's said c.f.s. capacity at the downstream end of Reach 1 of the line to the said capacity herein referred to; or (b) an intake line from the Dainer Plant of the Metropolitan Water District of Southern California to Santiago Lateral to bring Municipal's said c.f.s. capacity at the downstream end of Reach 1 of the line to the capacity herein referred to on terms agreed to by Municipal, Lessee, Los Alisos, and Santa Margarita Water District (hereinafter called "Santa Margarita"); or (c) such

other means as mutually agreed upon by Municipal, Lessee, Los Alisos and Santa Margarita. When said capacity in Reach 1 of said line reaches the c.f.s. capacity herein referred to, Lessee will pay to Lessor as additional rent under this Lease the amount which equals 10/45 of the cost to Municipal, which will include interest at 6-1/2% per annum on the deferred balance, to make said capacity available by any of the choices hereinabove set forth divided by the number of years left in the then unexpired term of this Lease.

7. This is a net lease by Municipal and each and all rents herein provided to be paid to Municipal shall be paid without offset or deduction. It is understood that Lessee assumes and agrees to pay on demand all amounts applicable to the capacity the subject of this lease as provided by said Joint Powers Agreement marked Exhibit "A" and amendments thereto.

8. Lessee shall during the term of this lease be responsible for all risks of loss or destruction of this capacity the subject of this lease and the rent herein provided and Lessee's agreement to pay said rent is unconditional and absolute.

9. In the event of any breach of any provisions of this lease by Lessee, then Municipal, in addition to other rights or remedies it may have, may and shall have the right, after 90 days from the inception of such default, if said default shall not have in said 90 day period been cured, to retake possession and control of the capacity the subject of this lease pursuant to legal proceedings or pursuant to any notice provided by law and it may terminate this lease and thereafter deal with the capacity the subject of this lease as its own. In the event of such default, Municipal reserves the right in addition to the other elections herein provided, to surcharge on all water for the account of Lessee running through the facilities the subject of said Joint Powers Agreement marked Exhibit "A" and amendments thereto. In the event of such default by Lessee, Lessee shall be liable to



pay Municipal all costs and expenses incurred by Municipal arising in any way because of said breach by Lessee.

10. All notices to be given to the parties to this lease shall be given in writing, personally, or by depositing the same in the U. S. Mail, postage prepaid, addressed to the other as follows:

Municipal Water District  
of Orange County  
17332 Irvine Boulevard, Suite G  
P. O. Box 315  
Tustin, California 92680

El Toro Water District

11. The waiver by Municipal of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of any rent hereunder by Municipal shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this lease other than the failure of Lessee to pay the particular rent so accepted regardless of Municipal's knowledge of such preceding breach at the time of acceptance of such rent.

12. Time is of the essence of this lease.

13. At the expiration of the term of this lease, provided that Lessee shall during the term of this lease have complied with its terms and provisions, Lessee shall have the right to an extended term of ten (10) years on the same terms and provisions as by this lease provided and subject to the terms and provisions of the said Joint Powers Agreement marked Exhibit "A" and amendments thereto,

except rent and at an annual rent of One Dollar. The election of Lessee to take said extended term shall be made by notice in writing given as in Paragraph 10 herein provided at least 150 days prior to the expiration of the term of this lease.

At the end of each 10-year period of extension of this lease term, provided Lessee is in all respects in compliance with the lease terms, it may in the manner herein provided take another extended 10-year term of this lease.

14. It is contemplated that the water needs of Lessee, Los Alisos and Santa Margarita, or any of them will require paralleling with another line of a minimum of 45 c.f.s. capacity in Reaches 4 and 5 of the Santiago Aqueduct the subject of said Exhibit "A". It is estimated that this paralleling of said Reaches 4 and 5 of said Aqueduct will be required by July 1, 1981. Lessee hereby agrees that the cost of and sharing in capacity in said paralleling line shall be divided between Los Alisos, El Toro and Santa Margarita on the basis of 10/45 to each Los Alisos and El Toro and 25/45 to Santa Margarita. Should one or more of said Lessee, Los Alisos and Santa Margarita elect to have constructed the said capacity in said parallel line prior to July 1, 1981, and the other or others shall not so need such capacity at the time of such election, then the other or others of said Los Alisos, El Toro and Santa Margarita shall participate in financing said capacity on an oversizing basis only until July 1, 1981; at which time costs between said Lessee, Los Alisos and Santa Margarita shall be redistributed on a basis proportionate to said capacities.

Should one or more of said Lessee, Los Alisos and Santa Margarita on July 1, 1981, fail to share in the cost of construction of said parallel line to said Reaches 4 and 5, Municipal at its election may advance the share of such entity failing to so share

in such costs of said paralleling and shall have the right to surcharge said entity so failing to share on all water delivered to that entity through the facilities the subject of said Joint Powers Agreement marked Exhibit "A" and amendment thereto in order that Municipal may reimburse itself said outlay.

15. Municipal retains the right to reacquire the capacity leased to Lessee in Reaches 1 through 3 or any modification thereof of said Aqueduct the subject of this lease, provided that Municipal furnishes to said Lessee equivalent water service at the same point of delivery, the same pressure and elevation and capacity or as modified on approval by Lessee. Notice of said election shall be given 120 days prior to the effective date of said election.

16. Lessee may not assign this lease or sublet any part of the rights of Lessee under this lease except with the previous written consent of Municipal had and obtained.

IN WITNESS WHEREOF, the parties hereto have executed this lease on the date first hereinabove set forth.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

ATTESTED:

*Dennis E. McLaughlin*  
Secretary

By *Gene M. McEllock*  
President

EL TORO WATER DISTRICT

ATTESTED:

*Fritz Stoddard*  
Secretary

By *Hugh J. Walker*  
President

AMENDMENT NO. 1 TO LEASE AGREEMENT  
SANTIAGO AQUEDUCT REACHES 1, 2 AND 3  
EL TORO WATER DISTRICT

WHEREAS, Municipal Water District of Orange County (hereinafter referred to as "Municipal") and El Toro Water District entered into a lease of capacity in Reaches 1, 2 and 3 of the Santiago Aqueduct on the 31st day of January, 1977; and

WHEREAS, Municipal and El Toro Water District and certain other water agencies and parties have entered into agreements to build a pipeline project known as the Diemer Intertie and to connect such project into the Santiago Aqueduct at Reach 2; and

WHEREAS, the connection of the Diemer Intertie to the Santiago Aqueduct will require that the Santiago Aqueduct be changed by lowering the hydraulic gradient of the Santiago Aqueduct, constructing parallel lines to the existing Santiago Aqueduct lines, and reallocating existing capacity in the present Santiago Aqueduct; and

WHEREAS, it is necessary to amend the existing Lease Agreement to facilitate the changes in the Santiago Aqueduct; and

WHEREAS, Municipal has agreed to assign an additional 0.7 c.f.s. to Santiago County Water District, which assignment shall be effective on the Date of Transfer as defined in

Amendment No. 2 to the Joint Powers Agreement of the Santiago Aqueduct Commission; and

WHEREAS, El Toro Water District finds that 0.35 c.f.s. of its leased capacity under this Lease Agreement is not needed after the Date of Transfer; and

WHEREAS, the obligations of Municipal as set forth in Sections 6 and 14 of the Lease Agreement will not be applicable after the Date of Transfer;

NOW, THEREFORE, in consideration of the mutual promises of the parties hereto and for other valuable consideration, the parties hereto agree as follows:

1. The Lease Agreement is hereby amended as follows:

A. Strike Section 1 of the Lease Agreement, and insert the following:

"1. Municipal does hereby lease to El Toro Water District 9.7/45 of its said capacity rights in Reach 1, and 10/45 of its said capacity rights in Reaches 2 and 3 of the line so acquired by Municipal under said Joint Powers Agreement as amended, attached hereto as Exhibit 'A'."

B. Strike Section 4 of the Lease Agreement, and insert the following:

"4. As rent Lessee agrees to pay Municipal the sum of \$565,396.50, payable in annual installments of \$18,846.55 each, which includes interest at 6-1/2 percent per annum on the deferred balance,

which said annual amounts Lessee agrees to pay to Lessor at the place as may be designated from time to time by Lessor on the first day of each and every year of the term of this Lease. There shall be a proration of rental payments if the date of transfer is on a date other than a payment date."

C. Sections 6 and 14 of the Lease Agreement shall be deleted and are no longer effective.

2. This Amendment shall be effective as of the Date of Transfer as defined in Amendment No. 2 to the Joint Powers Agreement of the Santiago Aqueduct Commission.

ATTESTED:

MUNICIPAL WATER DISTRICT  
OF ORANGE COUNTY

By \_\_\_\_\_  
Secretary

By \_\_\_\_\_  
President

ATTESTED:

EL TORO WATER DISTRICT

By \_\_\_\_\_  
Secretary

By \_\_\_\_\_  
President

LEASE AGREEMENT

TO  
BE  
SIGNED  
BY  
SANTA MARGARITA

This Lease Agreement made and entered into this 31st day of January, 1977; by and between Municipal Water District of Orange County, a municipal water district organized under the Municipal Water District Law of 1911 (hereinafter called "Municipal"), Lessor, and Santa Margarita Water District (hereinafter called "Santa Margarita"), Lessee.

W I T N E S S E T H:

WHEREAS, Municipal has entered into a certain Joint Powers Agreement and Amendment thereto with Los Alisos Water District (hereinafter called "Los Alisos"), and El Toro Water District (hereinafter called "El Toro"), a copy of which is hereto attached marked Exhibit "A" and made a part hereof by reference; and

WHEREAS, pursuant to the terms and provisions of said Joint Powers Agreement as amended, Municipal has acquired approximately 45 c.f.s. of capacity rights in Reaches 1, 2 and 3 in a line (hereinafter referred to as "the line") built under the provisions of said Joint Powers Agreement and is willing to lease portions of said capacity rights under proper circumstances; and

WHEREAS, Municipal has thereafter assigned 4 c.f.s. of its capacity in Reach 1 of said line to Santiago County Water District and has assigned 10 c.f.s. of its capacity in Reach 1 of said line to East Orange County Water District; and

WHEREAS, Lessee desires to lease from Municipal 25/45 of said capacity rights, the property of Municipal;

NOW, THEREFORE, it is understood and agreed by and between the parties hereto as follows:

EXHIBIT B

1. Municipal does hereby lease to Santa Margarita 25/45 of its said capacity rights in Reaches 1, 2 and 3 of the line so acquired by Municipal under said Joint Powers Agreement as amended attached hereto as Exhibit "A".

2. Lessee agrees that in leasing said capacity rights the subject of this Agreement, it acquires under lease only the rights to said capacity so leased in the line which by the provisions of said Joint Powers Agreement as amended are given to Municipal and Lessee agrees to take its said lease interest herein provided subject to the obligations of said Joint Powers Agreement as amended so far as they pertain to the capacity rights herein leased and Lessee agrees to perform each and all the obligations of said Joint Powers Agreement as amended insofar as they pertain to the capacity rights therein the subject of this Lease.

In Sections 1 and 2 of the First Amendment to said Joint Powers Agreement, a part of Exhibit "A", are provisions with respect to representation re members of the Commission. It is agreed that Municipal will preserve its representation on said Commission and sit as provided in Sections 1 and 2 of said amended Agreement.

3. The term of this Lease shall be for a period of thirty (30) years commencing on the date hereinabove set forth and ending thereafter at Midnight on the last day of said thirty-year period.

4. As rent Lessee agrees to pay Municipal the sum of \$ 1,823,323.50 payable in annual installments of \$ 60,777.45 each, which includes interest at 6-1/2% per annum on the deferred balance, which said annual amounts Lessee agrees to pay to Lessor at the place as may be designated from time to time by Lessor on the first day of each and every year of the term of this Lease.

5. It is understood that the lease rights acquired under this Lease Agreement by Lessee relate only to capacity in



the line and not to actual flow of water which water supply shall be subject to the regulations from time to time made by those entities including Municipal and Metropolitan Water District of Southern California from which said water supply may be obtained.

6. It is understood by Lessee that as hereinabove recited, Municipal has heretofore assigned 4 c.f.s. of its capacity in Reach 1 of said line to Santiago County Water District and has assigned 10 c.f.s. of its capacity of Reach 1 of the line to East Orange County Water District. Municipal will endeavor to negotiate with said Santiago County Water District and East Orange County Water District for the purpose of paralleling Santiago Aqueduct with a line of a minimum of 14 c.f.s. capacity and by agreement transfer the said capacities of said Santiago County Water District and East Orange County Water District in the line to said parallel line.

In the event Municipal shall be unable to transfer over into said proposed parallel line the said Santiago County Water District and said East Orange County Water District, Municipal agrees that it will by other means make available to Lessee at the downstream end of Reach 1, 25 c.f.s. capacity. Such other means include at the election of Municipal, (a) the construction by Municipal of a line parallel to said Reach 1 of the line sufficient in capacity to bring Municipal's said c.f.s. capacity at the downstream end of Reach 1 of the line to the said capacity herein referred to; or (b) an intertie line from the Deiner Plant of the Metropolitan Water District of Southern California to Santiago Lateral to bring Municipal's said c.f.s. capacity at the downstream end of Reach 1 of the line to the capacity herein referred to on terms agreed to by Municipal, Lessee, El Toro, and Los Alisos; or (c) such other means as mutually agreed upon by Municipal, Lessee,

El-Toro and Los Alisos. When said capacity in Reach 1 of said line reaches the c.f.s. capacity herein referred to, Lessee will pay to Lessor as additional rent under this Lease the amount which equals  $25/45$  of the cost to Municipal, which will include interest at  $6-1/2\%$  per annum on the deferred balance, to make said capacity available by any of the choices hereinabove set forth divided by the number of years left in the then unexpired term of this Lease.

7. This is a net lease by Municipal and each and all rents herein provided to be paid to Municipal shall be paid without offset or deduction. It is understood that Lessee assumes and agrees to pay on demand all amounts applicable to the capacity the subject of this lease as provided by said Joint Powers Agreement marked Exhibit "A" and amendments thereto.

8. Lessee shall during the term of this lease be responsible for all risks of loss or destruction of this capacity the subject of this lease and the rent herein provided and Lessee's agreement to pay said rent is unconditional and absolute.

9. In the event of any breach of any provisions of this lease by Lessee, then Municipal, in addition to other rights or remedies it may have, may and shall have the right, after 90 days from the inception of such default, if said default shall not have in said 90 day period been cured, to retake possession and control of the capacity the subject of this lease pursuant to legal proceedings or pursuant to any notice provided by law and it may terminate this lease and thereafter deal with the capacity the subject of this lease as its own. In the event of such default, Municipal reserves the right in addition to the other elections herein provided, to surcharge on all water for the account of Lessee running through the facilities the subject of said Joint Powers Agreement marked Exhibit "A" and amendments thereto. In the event of such default by Lessee, Lessee shall be liable to

pay Municipal all costs and expenses incurred by Municipal arising in any way because of said breach by Lessee.

10. All notices to be given to the parties to this lease shall be given in writing, personally, or by depositing the same in the U. S. Mail, postage prepaid, addressed to the other as follows:

Municipal Water District  
of Orange County  
17332 Irvine Boulevard, Suite G  
P. O. Box 315  
Tustin, California 92680

Santa Margarita Water District

11. The waiver by Municipal of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition on any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of any rent hereunder by Municipal shall not be deemed to be a waiver of any preceding breach by Lessee of any term, covenant or condition of this lease other than the failure of Lessee to pay the particular rent so accepted regardless of Municipal's knowledge of such preceding breach at the time of acceptance of such rent.

12. Time is of the essence of this lease.

13. At the expiration of the term of this lease, provided that Lessee shall during the term of this lease have complied with its terms and provisions, Lessee shall have the right to an extended term of ten (10) years on the same terms and provisions as by this lease provided and subject to the terms and provisions of the said Joint Powers Agreement marked Exhibit "A" and amendments thereto,

except rent and at an annual rent of One Dollar. The election of Lessee to take said extended term shall be made by notice in writing given as in Paragraph 10 herein provided at least 150 days prior to the expiration of the term of this lease.

At the end of each 10-year period of extension of this lease term, provided Lessee is in all respects in compliance with the lease terms, it may in the manner herein provided take another extended 10-year term of this lease.

14. It is contemplated that the water needs of Lessee, El Toro and Los Alisos, or any of them will require paralleling with another line of a minimum of 45 c.f.s. capacity in Reaches 4 and 5 of the Santiago Aqueduct the subject of said Exhibit "A". It is estimated that this paralleling of said Reaches 4 and 5 of said Aqueduct will be required by July 1, 1981. Lessee hereby agrees that the cost of and sharing in capacity in said paralleling line shall be divided between Los Alisos, El Toro and Santa Margarita on the basis of 10/45 to each Los Alisos and El Toro and 25/45 to Santa Margarita. Should one or more of said Lessee, El Toro and Los Alisos elect to have constructed the said capacity in said parallel line prior to July 1, 1981, and the other or others shall not so need such capacity at the time of such election, then the other or others of said Los Alisos, El Toro and Santa Margarita shall participate in financing said capacity on an oversizing basis only until July 1, 1981; at which time costs between said Lessee, El Toro and Los Alisos shall be redistributed on a basis proportionate to said capacities.

Should one or more of said Lessee, El Toro and Los Alisos on July 1, 1981, fail to share in the cost of construction of said parallel line to said Reaches 4 and 5, Municipal at its election may advance the share of such entity failing to so share

in such costs of said paralleling and shall have the right to surcharge said entity so failing to share on all water delivered to that entity through the facilities the subject of said Joint Powers Agreement marked Exhibit "A" and amendment thereto in order that Municipal may reimburse itself said outlay.

15. Municipal retains the right to reacquire the capacity leased to Lessee in Reaches 1 through 3 or any modification thereof of said Aqueduct the subject of this lease, provided that Municipal furnishes to said Lessee equivalent water service at the same point of delivery, the same pressure and elevation and capacity or as modified on approval by Lessee. Notice of said election shall be given 120 days prior to the effective date of said election.

16. Lessee may not assign this lease or sublet any part of the rights of Lessee under this lease except with the previous written consent of Municipal had and obtained.

IN WITNESS WHEREOF, the parties hereto have executed this lease on the date first hereinabove set forth.

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

ATTESTED:

Dennis E. McLaughlin  
Secretary

By Don M. McCallister  
President

SANTA MARGARITA WATER DISTRICT

ATTESTED:

James P. P. P.  
Secretary

By Thomas P. P.  
President

AMENDMENT NO. 1 TO LEASE AGREEMENT  
SANTIAGO AQUEDUCT REACHES 1, 2 AND 3  
SANTA MARGARITA WATER DISTRICT

WHEREAS, Municipal Water District of Orange County (hereinafter referred to as "Municipal") and Santa Margarita Water District entered into a lease of capacity in Reaches 1, 2 and 3 of the Santiago Aqueduct on the 31st day of January, 1977; and

WHEREAS, Municipal and Santa Margarita Water District and certain other water agencies and parties have entered into agreements to build a pipeline project known as the Diemer Intertie and to connect such project into the Santiago Aqueduct at Reach 2; and

WHEREAS, the connection of the Diemer Intertie to the Santiago Aqueduct will require that the Santiago Aqueduct be changed by lowering the hydraulic gradient of the Santiago Aqueduct, constructing parallel lines to the existing Santiago Aqueduct lines, and reallocating existing capacity in the present Santiago Aqueduct; and

WHEREAS, it is necessary to amend the existing Lease Agreement to facilitate the changes in the Santiago Aqueduct; and

WHEREAS, Municipal has agreed to assign an additional 0.7 c.f.s. to Santiago County Water District, which assignment shall be effective on the Date of Transfer as defined in

Amendment No. 2 to the Joint Powers Agreement of the Santiago Aqueduct Commission; and

WHEREAS, the obligations of Municipal as set forth in Sections 6 and 14 of the Lease Agreement will not be applicable after the Date of Transfer;

NOW, THEREFORE, in consideration of the mutual promises of the parties hereto and for other valuable consideration, the parties hereto agree as follows:

1. The Lease Agreement is hereby amended as follows:

A. Strike Section 1 of the Lease Agreement, and insert the following:

"1. Municipal does hereby lease to Santa Margarita Water District 25.6/45 of its said capacity rights in Reach 1, and 25/45 of its said capacity rights in Reaches 2 and 3 of the line so acquired by Municipal under said Joint Powers Agreement as amended, attached hereto as Exhibit 'A'."

B. Sections 6 and 14 of the Lease Agreement shall be deleted and are no longer effective.

2. This Amendment shall be effective as of the Date of Transfer as defined in Amendment No. 2 to the Joint Powers Agreement of the Santiago Aqueduct Commission.

ATTESTED:

MUNICIPAL WATER DISTRICT OF  
ORANGE COUNTY

By \_\_\_\_\_  
Secretary

By \_\_\_\_\_  
President

ATTESTED:

SANTA MARGARITA WATER DISTRICT

By \_\_\_\_\_

By \_\_\_\_\_

EXHIBIT C  
TABLE 1

EXISTING CAPACITY  
SANTIAGO AQUEDUCT  
(cfs)

<u>Entity</u>	<u>Reach 1</u>	<u>Reach 2</u>	<u>Reach 3</u>	<u>Reach 4</u>	<u>Reach 5</u>	<u>Reach 6</u>
Los Alisos Water District	18.3	18.3	18.3	18.3	18.3	-
El Toro Water District	16.1	16.1	16.1	16.1	16.1	16.1
<u>MWDOC</u>						
East Orange County Water District	10.0	-	-	-	-	-
The Irvine Company	2.5	-	-	-	-	-
Irvine Ranch Water District	14.5	14.5	13.5	5.0	-	-
*County of Orange	1.0	1.0	1.0	1.0	-	-
Global Western Development Corp.	2.5	2.5	2.5	2.5	2.5	-
Santa Ana Mountains County Water District	5.0	5.0	5.0	5.0	5.0	-
Santiago County Water District	4.0	-	-	-	-	-
**MWDOC	<u>31.0</u>	<u>45.0</u>	<u>45.0</u>	<u>-</u>	<u>-</u>	<u>-</u>
♦♦Total MWDOC	70.5	68.0	67.0	13.5	7.5	-
Total Aqueduct	104.9	102.4	101.4	47.9	41.9	16.1

Reach 1: Santiago Reservoir to Peters Canyon Reservoir.

Reach 2: Peters Canyon Reservoir to Little San Joaquin Valley.

Reach 3: Little San Joaquin Valley to Rattlesnake Reservoir.

Reach 4: Rattlesnake Reservoir to northwesterly boundary of Los Alisos Water District

Reach 5: Northwesterly boundary of Los Alisos Water District to center of Los Alisos Water District.

Reach 6: Center of Los Alisos Water District to Cherry Street in El Toro Water District

\*County of Orange has additional 2 cfs for a short portion of Reach 1 which is not tabulated.

\*\*MWDOC capacity has been leased to the following agencies: SMWD, 25 cfs; LAWD, 10 cfs; ETWD, 10 cfs.



EXHIBIT C  
TABLE 2

DESIGNATION OF EXISTING AND PROPOSED REACHES OF  
SANTIAGO AQUEDUCT SYSTEM

<u>Existing Santiago Aqueduct Reach</u>	<u>Proposed Use</u>	<u>New Designation</u>
1	Untreated	1U
2	Treated	2T
3	Treated	3T
4	Untreated	4U
5	Untreated	5U
6	Treated	6T
<u>Proposed Facility Parallel to Santiago Aqueduct Reaches</u>		
2	Untreated	<u>2U</u>
3	Untreated	<u>3U</u>
4	Treated	<u>4TA, 4TB</u>
5	Treated	<u>5T</u>

Note: New facility is underlined.



EXHIBIT C  
TABLE 4

ALLOCATION OF 35 CFS ADDITIONAL IN REACHES 2T AND 3T  
CREATED BY LOWERING HYDRAULIC ELEVATION AT END OF REACH 3T FROM 710 to 696

	<u>Investment</u> <u>Reaches 2 - 6</u>	<u>Percentage</u> <u>of Total</u>	<u>Share</u> <u>of 35 cfs</u>
Irvine Ranch Water District	\$ 330,495	13.5	4.7
Santa Margarita Water District <sup>(1)</sup>	376,022	15.4	5.4
County of Orange	38,845	1.6	0.6
Global Western Development Corporation	109,233	4.5	1.6
Santa Ana Mountains County Water District	218,465	8.9	3.1
Los Alisos Water District <sup>(1)</sup>	670,096	27.5	9.6
El Toro Water District <sup>(1)</sup>	<u>698,127</u>	<u>28.6</u>	<u>10.0</u>
	<u>\$2,441,283</u>	100.0	35.0

(1) Includes proportionate share of MWDOC investment in Reaches 2 and 3 based upon MWDOC leases of January 31, 1977.

UNIVERSITY MICROFILMS

EXHIBIT C  
TABLE 5

CAPACITIES REQUESTED - PARALLEL TO REACHES 4 AND 5  
SANTIAGO AQUEDUCT

<u>Agency</u>	Reach (in cfs)		
	<u>4TA</u>	<u>4TB</u>	<u>5T</u>
Irvine Ranch Water District	25.0	0	0
Santa Margarita Water District	75.4	75.4	70.4
County of Orange	0	0	0
Global Western Development Corporation	0	0	0
Santa Ana Mountains County Water District	0	0	0
Los Alisos Water District	16.7	16.7	16.7
El Toro Water District	6.9	6.9	6.9
Moulton-Niguel Water District	<u>10.0</u>	<u>10.0</u>	<u>10.0</u>
Sub-Total	134.0	109.0	104.0
Oversizing to create additional 11 cfs in Reaches 2 and 3	<u>4.0</u>	<u>4.0</u>	<u>4.0</u>
	138.0	113.0	108.0

EXHIBIT C

EXHIBIT C  
TABLE 6

PERCENTAGE OF INVESTMENT DOWNSTREAM OF REACH 1  
EXCLUDING LOS ALISOS WATER DISTRICT AND EL TORO WATER DISTRICT

<u>Agency</u>	<u>Existing Investment</u>	<u>Percentage</u>
County of Orange	38,845	3.6
Irvine Ranch Water District	330,495	30.8
Santa Ana Mountains County Water District	218,465	20.4
Global Western Development Corporation	109,233	10.2
Santa Margarita Water District	<u>376,022</u>	<u>35.0</u>
	1,073,060	100.0

Note: Investment for Santa Margarita Water District included proportionate share of MWDOC investment in Reaches 2T and 3T based upon lease of January 31, 1977.

EXHIBIT C  
TABLE 7

ALLOCATION OF 11 CFS ADDITIONAL IN REACHES 2 AND 3  
CREATED BY LOWERING HYDRAULIC ELEVATION AT END OF REACH 3 FROM 696 TO 687

<u>Agency</u>	<u>Share of 11 cfs</u>
Irvine Ranch Water District	3.4
Santa Margarita Water District	3.9
County of Orange	0.4
Global Western Development Corporation	1.1
Santa Ana Mountains County Water District	2.2
Total	<u>11.0</u>

EXHIBIT C

TABLE 8

CAPACITIES REQUESTED - UNTREATED WATER  
SANTIAGO AQUEDUCT  
REACHES 2U AND 3U

<u>Agency</u>	<u>Reach (in cfs)</u>	
	<u>2U</u>	<u>3U</u>
Santa Margarita Water District	25.0	25.0
Los Alisos Water District	5.0	5.0
County of Orange	1.0	1.0
Global Western Development Corp.	2.5	2.5
Santa Ana Mountains County Water District	6.0	6.0
	<u>39.5</u>	<u>39.5</u>

EXHIBIT C  
TABLE 9

EXCESS CAPACITY AND DEMAND FOR CAPACITY REACH 1  
UNTREATED WATER

<u>Agency</u>	<u>Capacity Allocated - cfs</u>	<u>Capacity Required - cfs</u>	<u>Excess cfs</u>	<u>Deficit cfs</u>
East Orange County Water District	10.0	10.0	-	-
Santiago County Water District (3)	4.7	4.7	-	-
Irvine Company	2.5	2.5	-	-
Irvine Ranch Water District	14.5	14.5	-	-
County of Orange	1.0	1.0	-	-
Global Western Development Corp.	2.5	2.5	-	-
Santa Ana Mountains County Water District	5.0	6.0	-	1.0
Los Alisos Water District <sup>(1)</sup>	24.85	5.0	19.85	-
El Toro Water District <sup>(1)</sup>	22.65	0	22.65	-
Santa Margarita Water District <sup>(2)</sup>	17.2	25.0	-	7.8
	<u>104.9</u>	<u>71.2</u>	<u>42.5</u>	<u>8.8</u>

(1) Includes 6.55 cfs leased from MWDOC

(2) Includes 17.2 cfs leased from MWDOC

(3) Includes 0.7 cfs assigned to  
SCWD from MWDOC



EXHIBIT C  
TABLE 10

EXCESS CAPACITY AND DEMAND FOR CAPACITY  
REACHES 2T AND 3T  
TREATED WATER

	<u>Capacity Allocated (cfs)</u>	<u>Capacity Required (cfs)</u>	<u>Excess (cfs)</u>	<u>Deficit (cfs)</u>
Irvine Ranch Water District	22.6	40		17.4
Santa Margarita Water District	34.3	45		10.7
County of Orange	2.0	0	2.0	
Global Western Development Corp.	5.2	0	5.2	
Santa Ana Mountains County Water District	10.3	0	10.3	
Los Alisos Water District	37.9	30.2	7.7	
El Toro Water District	36.1	23.2	12.9	
Moulton-Niguel Water District	<u>0</u>	<u>10</u>		<u>10.0</u>
	148.4	148.4	38.1	38.1

EXHIBIT C

TABLE 11

DESCRIPTION OF TREATED WATER SYSTEM

Reach	2T	3T	<u>4TA</u>	<u>4TB</u>	<u>5T</u>	6T
Length	10425	7950	19700	8800	6070	10450
Total Capacity	148.4	148.4	138	113	108	16.1
Hgl Elevation at End	714	687	652	639	630	580
Capacity Allocation:						
Irvine Ranch Water District	40	40	30	5	0	0
Santa Margarita Water District	45	45	45	45	45	0
County of Orange	0	0	0	0	0	0
Global Western Development Corp.	0	0	0	0	0	0
Santa Ana Mountains Country Water District	0	0	0	0	0	0
Los Alisos Water District	30.2	30.2	30	30	30	0
El Toro Water District	23.2	23.2	23	23	23	16.1
Moulton-Niguel Water District	10	10	10	10	10	0

EXHIBIT C  
TABLE 12

DESCRIPTION OF UNTREATED WATER SYSTEM

Reach	1U	<u>2U</u>	<u>3U</u>	4U	5U
Length	19,000	10425	7950	28500	6070
Capacity	104.9	39.5	39.5	39.5	38.5
Hgl Elevation at End	815	786	765	723	715
Capacity Allocation:					
East Orange County Water District	10.0	---	---	---	---
Santiago County Water District	4.7	---	---	---	---
Irvine Company	2.5	---	---	---	---
Santa Margarita Water District	25	25.0	25.0	25.0	25.0
Los Alisos Water District	20.75	5.0	5.0	5.0	5.0
County of Orange	1.0	1.0	1.0	1.0	
Global Western Development Corp.	2.5	2.5	2.5	2.5	2.5
Santa Ana Mountains County Water District	6.0	6.0	6.0	6.0	6.0
Irvine Ranch Water District	14.5	---	---	---	---
El Toro Water District	17.95	---	---	---	---

EXHIBIT C  
TABLE 13  
ALLOCATION OF MAINTENANCE COSTS  
SANTIAGO AQUEDUCT  
(cfs - ft.)

	Untreated						Treated					Total	Percent of Total
	1U	2U	3U	4U	5U	21	31	A1A	A1B	51	61		
EOCWD	190,000	---	---	---	---	---	---	---	---	---	---	190,000	1.7
SCWD	89,300	---	---	---	---	---	---	---	---	---	---	89,300	0.8
TIC	47,500	---	---	---	---	---	---	---	---	---	---	47,500	0.4
IRWD	275,500	---	---	---	---	417,000	318,000	591,000	44,000	---	---	1,645,500	14.5
Co./Orange	19,000	10,400	8,000	28,500	---	---	---	---	---	---	---	65,900	0.6
Global Western Dev. Corp.	47,500	26,100	19,900	71,300	15,200	---	---	---	---	---	---	180,000	1.6
SAMCWD	114,000	62,600	47,700	171,000	36,400	---	---	---	---	---	---	431,700	3.8
LAWD	394,300	52,100	39,800	142,500	30,400	314,800	240,100	591,000	264,000	182,100	---	2,251,100	19.8
ETWD	341,000	---	---	---	---	241,900	184,400	453,100	202,400	139,600	168,200	1,730,600	15.3
SMWD	475,000	260,600	198,800	712,500	151,800	469,100	375,800	886,500	396,000	273,200	---	4,181,300	36.8
MNWD	---	---	---	---	---	104,200	79,500	197,000	88,000	60,700	---	529,400	4.7
	1,993,100	411,800	314,200	1,125,800	233,800	1,547,000	1,179,800	2,718,600	994,400	655,600	168,200	11,342,300	100.0

J. ARITHX

EXHIBIT C  
TABLE 14  
ALLOCATION FORMULA FOR CAPITAL IMPROVEMENTS  
PERCENTAGE CAPACITY BY REACH  
TREATED AND UNTREATED SYSTEM

<u>AGENCY</u>	<u>1U</u>	<u>2U</u>	<u>3U</u>	<u>4U</u>	<u>5U</u>	<u>2T</u>	<u>3T</u>	<u>4TA</u>	<u>4TB</u>	<u>5T</u>	<u>6T</u>
EOCWD	9.6	--	--	--	--	--	--	--	--	--	--
SCWD	4.4	--	--	--	--	--	--	--	--	--	--
TIC	2.4	--	--	--	--	--	--	--	--	--	--
Co/Orange	1.0	2.5	2.5	2.5	--	--	--	--	--	--	--
Global Western Dev Corp.	2.4	6.3	6.3	6.3	6.5	--	--	--	--	--	--
IRWD	13.8	--	--	--	--	27.0	27.0	21.7	4.4	--	--
SAMCWD	5.7	15.2	15.2	15.2	15.6	--	--	--	--	--	--
LAWD	19.8	12.7	12.7	12.7	13.0	20.4	20.4	21.7	26.5	27.8	--
ETWD	17.1	--	--	--	--	15.6	15.6	16.7	20.4	21.3	100.0
SMWD	23.8	63.3	63.3	63.3	64.9	30.3	30.3	32.6	39.8	41.6	--
MNWD	--	--	--	--	--	6.7	6.7	7.3	8.9	9.3	--
	100	100	100	100	100	100	100	100	100	100	100

Based on Data from Tables 11 and 12.

EXHIBIT C  
TABLE 14  
ALLOCATION FORMULA FOR CAPITAL IMPROVEMENTS  
PERCENTAGE CAPACITY BY REACH  
TREATED AND UNTREATED SYSTEM

<u>AGENCY</u>	<u>1U</u>	<u>2U</u>	<u>3U</u>	<u>4U</u>	<u>5U</u>	<u>2T</u>	<u>3T</u>	<u>4TA</u>	<u>4TB</u>	<u>5T</u>	<u>6T</u>
EOCWD	9.6	--	--	--	--	--	--	--	--	--	--
SCWD	4.4	--	--	--	--	--	--	--	--	--	--
TIC	2.4	--	--	--	--	--	--	--	--	--	--
Co/Orange	1.0	2.5	2.5	2.5	--	--	--	--	--	--	--
Global Western Dev Corp.	2.4	6.3	6.3	6.3	6.5	--	--	--	--	--	--
IRWD	13.8	--	--	--	--	27.0	27.0	21.7	4.4	--	--
SAMCWD	5.7	15.2	15.2	15.2	15.6	--	--	--	--	--	--
LAWD	19.8	12.7	12.7	12.7	13.0	20.4	20.4	21.7	26.5	27.8	--
ETWD	17.1	--	--	--	--	15.6	15.6	16.7	20.4	21.3	100.0
SMWD	23.8	63.3	63.3	63.3	64.9	30.3	30.3	32.6	39.8	41.6	--
MNWD	--	--	--	--	--	6.7	6.7	7.3	8.9	9.3	--
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Based on Data from Tables 11 and 12.

AMENDMENT NO. 3  
TO  
SANTIAGO AQUEDUCT COMMISSION  
JOINT POWERS AGREEMENT

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\* Denotes first page of Agreement in which the particular Exhibit is mentioned.

AMENDMENT NO. 3  
TO  
SANTIAGO AQUEDUCT COMMISSION  
JOINT POWERS AGREEMENT

THIS AMENDMENT NO. 3 TO SANTIAGO AQUEDUCT COMMISSION JOINT POWERS AGREEMENT is made and entered into as of the 1st day of November, 1978, by and between LOS ALISOS WATER DISTRICT (herein called "Los Alisos"), EL TORO WATER DISTRICT (herein called "El Toro"), both California Water Districts, organized and existing under Division 13 of the California Water Code, and MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, also known as ORANGE COUNTY MUNICIPAL WATER DISTRICT in the Agreement to which this Amendment relates (herein called "MWDOC"), a public district organized under the Municipal Water District Act of 1911, the assignees of MWDOC's capacity rights in the Santiago Aqueduct, to wit: EAST ORANGE COUNTY WATER DISTRICT (herein called "East Orange"), SANTIAGO COUNTY WATER DISTRICT (herein called "Santiago"), SANTA ANA MOUNTAINS COUNTY WATER DISTRICT (herein called "Santa Ana Mountains"), each being a County Water District organized and existing under Division 12 of the California Water Code; and IRVINE RANCH WATER DISTRICT (herein called "Irvine Ranch"), SANTA MARGARITA WATER DISTRICT (herein called "Santa Margarita"), and MOULTON-NIGUEL WATER

DISTRICT (herein called "Moulton-Niguel," not an assignee of MWDOC), each being a California Water District, organized and existing under Division 13 of the California Water Code, the COUNTY OF ORANGE, a body politic and corporate, and the SANTIAGO AQUEDUCT COMMISSION (herein called the "Commission"), created by the Santiago Aqueduct Commission Joint Powers Agreement (herein called the "Joint Powers Agreement").

W I T N E S S E T H:

WHEREAS, the parties and certain other entities, on or about the 13th day of January, 1978, entered into AMENDMENT NO. 2 TO THE SANTIAGO AQUEDUCT COMMISSION JOINT POWERS AGREEMENT ("Amendment No. 2") to modify the Aqueduct and to construct parallel lines to the Aqueduct, and to provide for the modified Aqueduct and parallel reaches ("Aqueduct System"); and

WHEREAS, certain parties have requested additional capacities in various reaches of the Aqueduct System, pursuant to the provisions of Amendment No. 2; and

WHEREAS, IRVINE RANCH has requested that the terminus of Reach 4TA be modified; and

WHEREAS, EL TORO, MOULTON-NIGUEL, SANTA MARGARITA and LOS ALISOS desire that an additional reach from the terminus of Reach 5T to the general vicinity of the El Toro Reservoir and generally parallel to Reach 6T of the Aqueduct System be constructed by MWDOC for and on behalf of the Commission; and

WHEREAS, circumstances have occurred which make it necessary to extend or modify the time for the performance of certain tasks set out in Amendment No. 2; and

WHEREAS, in order to secure the financing of the Aqueduct System, the Participants desire that the Joint Powers Agreement be amended so that MWDOC will receive unencumbered legal title to the Aqueduct System and the right of way at the end of financing; and

WHEREAS, Amendment No. 2 and this Amendment, as proposed, have been heard by the District Securities Advisory Commission and have been approved by the State Treasurer; and

WHEREAS, it is the mutual desire of the parties hereto to enter into this third Amendment in order to effectuate the proposals hereinbefore set forth;

NOW, THEREFORE, the parties, for and in consideration of the mutual covenants herein contained and as part of the mutual covenants contained in the Joint Powers Agreement hereinabove referred to, agree together as follows:

SECTION 1. REQUEST FOR ADDITIONAL CAPACITY.

A. Reaches 4TA, 4TB and 5T.

(1) In order to effectuate the request for additional capacity requested by IRVINE RANCH and MOULTON-NIGUEL and reduction of capacity of SANTA MARGARITA in Reaches 4TA, 4TB and 5T, Table 5 of Exhibit "C" (see paragraph 8, page 10 of Amendment No. 2) is hereby amended as is set forth in Table 5.1

of Exhibit "C", which is attached hereto and by reference made a part hereof.

B. Reaches 2T and 3T.

(1) In order to effectuate the request for additional capacity, table 7 of Exhibit "C" (see paragraph 6, page 9 of Amendment No. 2) is hereby amended as set forth in Table 7.1 of Exhibit "C", which is attached hereto and by reference made a part hereof.

(2) In order to provide for the costs of creating the additional 35.6 c.f.s. in Reaches 2T and 3T, the second paragraph of paragraph (6), page 9, and paragraph (7), pages 9 and 10, are amended as follows:

"(6) In order to create an additional 35.6 c.f.s. capacity in Reaches 2T and 3T, all parties downstream of Reach 1U (Table 6), excluding Los Alisos and El Toro, will provide an additional 12 c.f.s. capacity in Reaches 4TA and 4TB and 5T by paying the cost of incremental oversizing of said reaches from an estimated 161 c.f.s. to 173 c.f.s. The additional 12 c.f.s. capacity will replace 6.4 c.f.s. of Los Alisos' capacity and 5.6 c.f.s. of El Toro's capacity in Reaches 4U and 5U. Los Alisos and El Toro agree to take said 12 c.f.s. additional capacity through

Reaches 4TA, 4TB and 5T and relinquish the same amount of capacity in Reaches 4U and 5U.

After provision for the additional 12 c.f.s. capacity in Reaches 4TA, 4TB and 5T for Los Alisos and El Toro, the hydraulic elevation at the end of Reach 3T shall be lowered by 30 feet to 666 feet. The 35.6 c.f.s. thus created shall be shared by all parties listed on Table 6 downstream of Reach 1U on the basis of the percentages shown on Table 6. It is agreed that each party shall have the capacity thus created as set forth on Table 7.1."

"(7) The capacity thus created will be allocated to the parties shown on Table 6 in accordance with the percentages shown on Table 6. The costs for the oversizing of Reaches 4TA, 4TB, and 5T shall be based upon the incremental oversizing of said reaches, and shall be paid for by the parties shown on Table 6 in accordance with the percentages shown on Table 6. All parties agree that the additional capacity thus created, excepting capacity allocated to an agency requesting additional capacity, will be offered for purchase to MWDOC and will be offered for sale by MWDOC to the agency or agencies requesting the additional capacity in the manner and at the price as set forth in the provisions

of paragraph 12 of this Amendment. Prior to the provisions for additional capacity as provided in this paragraph, all excess capacity of Table 10.1 shall be transferred in accordance with paragraph 12."

C. Reaches 2U and 3U.

(1) In order to effectuate the request for additional capacity in Reaches 2U and 3U by IRVINE RANCH, Table 8 of Exhibit "C" (see paragraph 10, pages 11 and 12 of Amendment No. 2) is hereby amended as set forth in Table 8.1 of Exhibit "C", which is attached hereto and by reference made a part hereof.

D. CHANGES IN EXCESS CAPACITY AND DEMAND FOR CAPACITY, REACHES 2T AND 3T.

(1) In order to reflect the changes in demand for capacity in Reaches 2T and 3T, Table 10 of Exhibit "C" (see paragraph 12, page 13 of Amendment No. 2) is hereby amended as set forth in Table 10.1 of Exhibit "C", which is attached hereto and by reference made a part hereof.

E. CHANGES IN DESCRIPTION OF TREATED WATER SYSTEM.

(1) In order to describe the treated water system as changed by the demands since execution of Amendment No. 2, Table 11 of Exhibit "C" (see paragraph 13, pages 14 and 15 of Amendment No. 2) is hereby

amended as set forth in Table 11.1 of Exhibit "C", which is attached hereto and by reference made a part hereof.

F. CHANGES IN DESCRIPTION OF UNTREATED WATER SYSTEM.

(1) In order to describe the untreated water system as changed by the demands since execution of Amendment No. 2, Table 12 of Exhibit "C" (see paragraph 13, pages 14 and 15 of Amendment No. 2) is hereby amended as set forth in Table 12.1 of Exhibit "C", which is attached hereto and by reference made a part hereof.

G. CHANGES IN ALLOCATION OF MAINTENANCE COSTS, SANTIAGO AQUEDUCT.

(1) In order to describe the changes in the allocation of maintenance costs in the Santiago Aqueduct, Table 13 of Exhibit "C" (see paragraph 16(b), page 17 of Amendment No. 2) is hereby amended as set forth in table 13.1 of Exhibit "C", which is attached hereto and by reference made a part hereof.

H. CHANGES IN ALLOCATION FORMULA FOR CAPITAL IMPROVEMENTS.

(1) In order to describe the changes in the allocation formula for capital improvements, Table 14 of Exhibit "C" (see paragraph 16(c), page 17 of Amendment No. 2) is hereby amended as set forth in Table 14.1 of Exhibit "C", which is attached hereto and by reference made a part hereof.

SECTION 2. CHANGE IN TERMINI OF REACHES 4TA AND 4TB.

A. CHANGE IN EXHIBIT "A".



(1) In order to effectuate the change of termini of Reaches 4TA and 4TB as set forth on Exhibit "A" of Amendment No. 2 (see Section 1, paragraph (3), page 6 of Amendment No. 2), Exhibit "A" of Amendment No. 2 shall be amended as set forth in Exhibit "A.1", which is attached hereto and by reference made a part hereof.

B. CHANGE IN TERMINI OF REACHES 4TA and 4TB.

(1) The parties hereto agree that the terminus of Reach 4TA shall be, as near as can be reasonably determined, at the point of intersection with the future extension of Sand Canyon Road, and the terminus of Reach 4TB shall terminate in the vicinity of the Orange County Honor Farm. Within the limitations set forth above, the Engineer for the Commission shall determine the exact point of location of each of the termini for Reaches 4TA and 4TB.

SECTION 3. CONSTRUCTION OF PARALLEL REACH TO REACH 6T (6TP).

A. CONSTRUCTION, DESIGNATION OF REACH 6TP, AND AGENCY CAPACITIES.

(1) MWDOC shall build a reach of pipeline with 101 c.f.s. capacity from the terminus of Reach 5T in an approximate parallel direction to Reach 6T to the general vicinity of the El Toro Reservoir, as set forth on Exhibit "A.1", attached hereto and by reference made a part hereof. This Reach shall be designated as Reach

6TP, with subreaches 6TPA, 6TPB, 6TPC, 6TPE, 6TPM and 6TPS, and collectively referred to hereinafter as Reach 6TP. The parties having capacity in the Reach shall be El Toro Water District, 11 c.f.s.; Los Alisos Water District, 10 c.f.s.; Moulton-Niguel Water District, 30 c.f.s.; and Santa Margarita Water District, 50 c.f.s. Reach 6TP shall be a part of the Aqueduct System.

B. LOCATION, PURPOSE AND HYDRAULIC GRADES, EASEMENTS.

MWDOC shall cause Reach 6TP to be constructed by the Corporation in the general location and of the design capacities as shown on Exhibit "A.1". Reach 6TP shall be used for the purposes and operated at the minimum hydraulic grades shown on Table 11.1 and shall be a part of and integrated with the Aqueduct System. As part of the Aqueduct System, MWDOC agrees to acquire the right of way and real property, including the following:

(1) A pump station site in the vicinity of the El Toro Reservoir of a size and location as set forth on Exhibit "D";

(2) An easement from the pump station site to Alicia Parkway as set forth on Exhibit "D";

Said right of way and real property, including items (1) and (2) above, are herein collectively referred to as "Rights of Way". Said acquisition and construction

shall be financed in the same manner as the Aqueduct System; i.e., as provided in the Diemer Agreement for the construction and financing of the Diemer Intertie. MWDOC shall sublease Capacity in Reach 6TP to the parties as set forth on Table 11.1 of Exhibit C, attached hereto. In addition, MWDOC shall sublease the site and easements shown on Exhibit "D", together with the Capacities in the facilities constructed thereon, to the parties benefiting therefrom. The manner of determining each Party's rent shall be the same as set forth in the Agreement. Any party that is obligated hereunder to pay for the construction of Reach 6TP, or portions thereof, may fulfill that obligation by prepaying rent, by entering into a sublease with MWDOC to lease its capacity in Reach 6TP as part of the Aqueduct System, or a combination of the foregoing, as provided in Amendment No. 2. Los Alisos shall prepay all rent attributable to its capacity in Reach 6TP.

El Toro and Los Alisos agree to convey (without cost, exclusive of the site and easements hereinabove set forth), their respective interests in Reach 6T to the Commission, subject to a reservation by both Districts of present and future compatible, nonexclusive easements for the mutual benefit of Los Alisos or El Toro in said right of way for the purpose of constructing Reach 6TP insofar as needed and space is reasonably available.

C. WATER PURCHASES, FLOWS AND EQUIPMENT.

A Party in Reach 6TP may commingle any treated water supplies that may become available in the future from the Santiago Lateral with the treated water in Reach 6TP from the Diemer Treatment Plant, so long as the inclusion of such water does not adversely affect any other Party in any manner. This shall include, but not by way of limitation, all applicable State and Federal requirements. The Party requesting treated water from the Santiago Lateral to be commingled shall indemnify and hold harmless the other Parties for any damages caused by such water being so commingled.

SECTION 4. AMENDMENT AUTHORIZING CHANGE OF TIME TO  
AWARD CONTRACT FOR CONSTRUCTION.

A. AMEND SECTION 1, PARAGRAPH (3), PAGE 6.

(1) Section 1, paragraph (3), page 6, is amended by striking the second sentence and inserting the following:

"MWDOC agrees to cause the contracts for said construction to be awarded concurrently with the contracts for the construction of the Diemer Intertie and according to the dates and times as set forth in the Diemer Agreement or as amended from time to time."

SECTION 5. PROVISIONS OF SANTIAGO AQUEDUCT JOINT POWERS  
AGREEMENT TO REMAIN IN EFFECT.

A. CONSISTENT PROVISIONS CONTROL; CONFLICTS.

(1) Except as herein provided, all of the provisions

of the Santiago Aqueduct Joint Powers Agreement, as heretofore amended, shall remain in effect and control the parties hereto.

(2) If there is a conflict between the provisions of this Amendment and the Joint Powers Agreement or any amendments pre-dating this Amendment, this Amendment shall prevail.

SECTION 6. VESTING OF AQUEDUCT SYSTEM AND RIGHT OF WAY AT RETIREMENT OF DEBT OF CORPORATION.

Any language in the Joint Powers Agreement or Amendments thereto to the contrary notwithstanding, at the termination of the Master Lease, MWDOC shall receive clear, unencumbered title in and to the Aqueduct System and the appurtenant easements and right of way. In consideration of MWDOC entering into an agreement entitled "Water Capacity Agreement, Operation and Maintenance of System, Irvine Park to El Toro Reservoir Area," Los Alisos, El Toro and the Santiago Aqueduct Commission, and all parties having rights or an interest in the right of way, shall convey a clear and unencumbered title of the right of way and appurtenant easements and licenses, subject to the right of Los Alisos and El Toro to use such easements. In lieu of the Commission acquiring rights of way necessary for the construction of the Parallel Reaches, MWDOC shall acquire said Rights of Way. (See Section 1(3), page 7, Amendment No. 2.)

SECTION 7. IRVINE COMPANY AND GLOBAL WESTERN NOT PARTIES TO JOINT POWERS AGREEMENT.

It is not the intent of the parties that The Irvine

Company and Global Western, by executing this Amendment, become parties to the Joint Powers Agreement. Said entities are signatories hereto for the purpose of agreeing to the Amendment, in that their interests are affected hereby.

SECTION 8. EXECUTION.

This Amendment shall be executed by all parties in duplicate, each of which shall be considered an original Amendment. The Amendment executed by each of the parties shall be identical to this Amendment, and each Amendment may not be altered or changed without the consent of all the remaining parties.

IN WITNESS WHEREOF, each of the parties hereto has caused this Instrument to be executed by its respective officials theretofore duly authorized by the legislative body thereof or its corporate board.

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

MUNICIPAL WATER DISTRICT OF ORANGE  
COUNTY, formerly known as ORANGE  
COUNTY MUNICIPAL WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

MOULTON-NIGUEL WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTA ANA MOUNTAINS COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTA MARGARITA WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTIAGO AQUEDUCT COMMISSION

By \_\_\_\_\_  
Chairman

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTIAGO COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary



DATED: \_\_\_\_\_

THE IRVINE COMPANY, A  
Michigan Corporation

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

GLOBAL WESTERN DEVELOPMENT  
CORPORATION, INC.  
(Formerly Whiting Ranch)

By \_\_\_\_\_  
Robert A. Fisher, Trustee  
in Bankruptcy of Global  
Western Development  
Corporation, a California  
Corporation, Bankrupt  
(Case No. 76-13206-A.P.)

DATED: \_\_\_\_\_

COUNTY OF ORANGE

By \_\_\_\_\_

DATED: NOVEMBER 1, 1978

APPROVED AS TO FORM  
HARWOOD & ADKINSON  
Legal Counsel -  
L.A.W.D

By: [Signature]  
Don R. Adkinson

DATED: \_\_\_\_\_

DATED: 12-29-78

DATED: \_\_\_\_\_

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By [Signature]  
President

By E. T. Mc Jadden  
Secretary

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

MUNICIPAL WATER DISTRICT OF ORANGE  
COUNTY, formerly known as ORANGE  
COUNTY MUNICIPAL WATER DISTRICT

By [Signature]  
President

By [Signature]  
Secretary

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

LÓS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: November 1, 1978

EL TORO WATER DISTRICT

By Hugh J. Walker  
President

By Fatey Stedding  
Secretary

DATED: 12-29-78

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, formerly known as ORANGE COUNTY MUNICIPAL WATER DISTRICT

By Clew M. McCallan  
President

By Dennis E. McCallan  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 12-29-78

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, formerly known as ORANGE COUNTY MUNICIPAL WATER DISTRICT

By *Clem M. Marshall*  
President

By *Annunzio M. L.*  
Secretary

DATED: November 1, 1978

EAST ORANGE COUNTY WATER DISTRICT

APPROVED AS TO FORM:  
ALEXANDER BOWIE, A LAW CORPORATION  
Legal Counsel -- EOCWD

By *Paul G. Anderson*  
President

By *Charles Boni*  
Secretary

By *Nancy L. Sharada*

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 12-29-78

MUNICIPAL WATER DISTRICT OF ORANGE  
COUNTY, formerly known as ORANGE  
COUNTY MUNICIPAL WATER DISTRICT

By *Alan M. Wallace*  
President

By *Ann E. [Signature]*  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: NOV 20 1979

IRVINE RANCH WATER DISTRICT

APPROVED AS TO FORM:

ALEXANDER BOWIE  
A Law Corporation  
Legal Counsel - IRWD

By *C. Rumbaut*  
President

By *[Signature]*

By *[Signature]*  
Secretary

DATED: 10/31/78

MOULTON-NIGUEL WATER DISTRICT

By Maria Deane  
President ~~Assistant Secretary~~

By Carl F. Smith  
Secretary ~~General manager~~

DATED: \_\_\_\_\_

SANTA ANA MOUNTAINS COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTA MARGARITA WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTIAGO AQUEDUCT COMMISSION

By \_\_\_\_\_  
Chairman

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTIAGO COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 12-29-78

MUNICIPAL WATER DISTRICT OF ORANGE  
COUNTY, formerly known as ORANGE  
COUNTY MUNICIPAL WATER DISTRICT

By Clem M. Mallock  
President

By [Signature]  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

MOULTON-NIGUEL WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 11/8/78

SANTA ANA MOUNTAINS COUNTY WATER DISTRICT

By *James Schindler*  
President

By *Marilyn Foster*  
Assist. Secretary

DATED: \_\_\_\_\_

SANTA MARGARITA WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTIAGO AQUEDUCT COMMISSION

By \_\_\_\_\_  
Chairman

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTIAGO COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary



DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 12-29-78

MUNICIPAL WATER DISTRICT OF ORANGE  
COUNTY, formerly known as ORANGE  
COUNTY MUNICIPAL WATER DISTRICT

By *Clem M. W. W. W.*  
President

By *Ann E. M. L.*  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

MOULTON-NIGUEL WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTA ANA MOUNTAINS COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 11-1-78.

SANTA MARGARITA WATER DISTRICT

By Thomas C. Beum  
President

By July D. Hedley  
Secretary

DATED: \_\_\_\_\_

SANTIAGO AQUEDUCT COMMISSION

By \_\_\_\_\_  
Chairman

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTIAGO COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 12-29-78

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, formerly known as ORANGE COUNTY MUNICIPAL WATER DISTRICT

By Clem M. McCaskey  
President

By James E. McArthur  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

MOULTON-NIGUEL WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTA ANA MOUNTAINS COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTA MARGARITA WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: November 1, 1978

SANTIAGO AQUEDUCT COMMISSION

By Hugh T. Walker  
Chairman

By Fritz Stodolny  
Secretary

DATED: \_\_\_\_\_

SANTIAGO COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 12-29-78

MUNICIPAL WATER DISTRICT OF ORANGE  
COUNTY, formerly known as ORANGE  
COUNTY MUNICIPAL WATER DISTRICT

By Clair M. McElloch  
President

By Dennis E. McElloch  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

MOULTON-NIGUEL WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTA ANA MOUNTAINS COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTA MARGARITA WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTIAGO AQUEDUCT COMMISSION

By \_\_\_\_\_  
Chairman

By \_\_\_\_\_  
Secretary

DATED: 10-27-78

SANTIAGO COUNTY WATER DISTRICT

By Russell Manning  
President

By [Signature]  
Secretary

Approved as to form:

Arthur H. Kidman  
Attorney for SCWD

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 12-29-78

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, formerly known as ORANGE COUNTY MUNICIPAL WATER DISTRICT

By *Alan M. Wallace*  
President

By *James E. [Signature]*  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

THE IRVINE COMPANY, A  
Michigan Corporation

By *[Signature]*  
President

By *[Signature]*  
Secretary

DATED: \_\_\_\_\_

GLOBAL WESTERN DEVELOPMENT  
CORPORATION, INC.  
(Formerly Whiting Ranch)

By \_\_\_\_\_  
Robert A. Fisher, Trustee  
in Bankruptcy of Global  
Western Development  
Corporation, a California  
Corporation, Bankrupt  
(Case No. 76-13206-A.P.)

DATED: \_\_\_\_\_

COUNTY OF ORANGE

By \_\_\_\_\_



DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 12-29-78

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, formerly known as ORANGE COUNTY MUNICIPAL WATER DISTRICT

By *Alan M. Wallace*  
President

By *Ann E. [Signature]*  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

THE IRVINE COMPANY, A  
Michigan Corporation

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: Nov. 20, 1978

GLOBAL WESTERN DEVELOPMENT  
CORPORATION, INC.  
(Formerly Whiting Ranch)

By *Robert A. Fisher*  
Robert A. Fisher, Trustee  
in Bankruptcy of Global  
Western Development  
Corporation, a California  
Corporation, Bankrupt  
(Case No. 76-13206-A.P.)

DATED: \_\_\_\_\_

COUNTY OF ORANGE

By \_\_\_\_\_

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 12-29-78

MUNICIPAL WATER DISTRICT OF ORANGE  
COUNTY, formerly known as ORANGE  
COUNTY MUNICIPAL WATER DISTRICT

By *Clara M. Weir*  
President

By *Ann E. [Signature]*  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

THE IRVINE COMPANY, A  
Michigan Corporation

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

GLOBAL WESTERN DEVELOPMENT  
CORPORATION, INC.  
(Formerly Whiting Ranch)

By \_\_\_\_\_  
Robert A. Fisher, Trustee  
in Bankruptcy of Global  
Western Development  
Corporation, a California  
Corporation, Bankrupt  
(Case No. 76-13206-A.P.)

DATED: 11-28-78

COUNTY OF ORANGE

By   
78-1739 CHAIRMAN, BOARD OF  
SUPERVISORS

APPROVED AS TO FORM  
ADRIAN KUYPER, County Counsel  
ORANGE COUNTY, CALIFORNIA

By Chad B. Sevin  
ASSISTANT / DEPUTY

Dated Nov. 8, 1978

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: 11-28-78

MUNICIPAL WATER DISTRICT OF ORANGE  
COUNTY, formerly known as ORANGE  
COUNTY MUNICIPAL WATER DISTRICT

By *Clayton M. Wellen*  
President

By *Dennis E. MacF...*  
Secretary

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

By \_\_\_\_\_  
President

By \_\_\_\_\_  
Secretary

UNTREATED

REACH	CAPACITIES		HYDRAULIC GRADE LINE	
	FLOW C.F.S.		IN	OUT
1U	104.9		832	815
2U	395		815	786
3U	395		786	765
4U	395		765	723
5U	385		723	715

TREATED

REACH	CAPACITIES		HYDRAULIC GRADE LINE	
	FLOW C.F.S.		IN	OUT
2T	173		750	714
3T	173		714	666
4TA	173		666	655
4TB	138		655	636
5T	133		636	630
6T	12		630	612
6IPA	101		630	625
6IPB	91		625	617
6IPC	71		617	613
6IPE	11		613	600
6IPM	10		613	587
6IPS	50		613	603

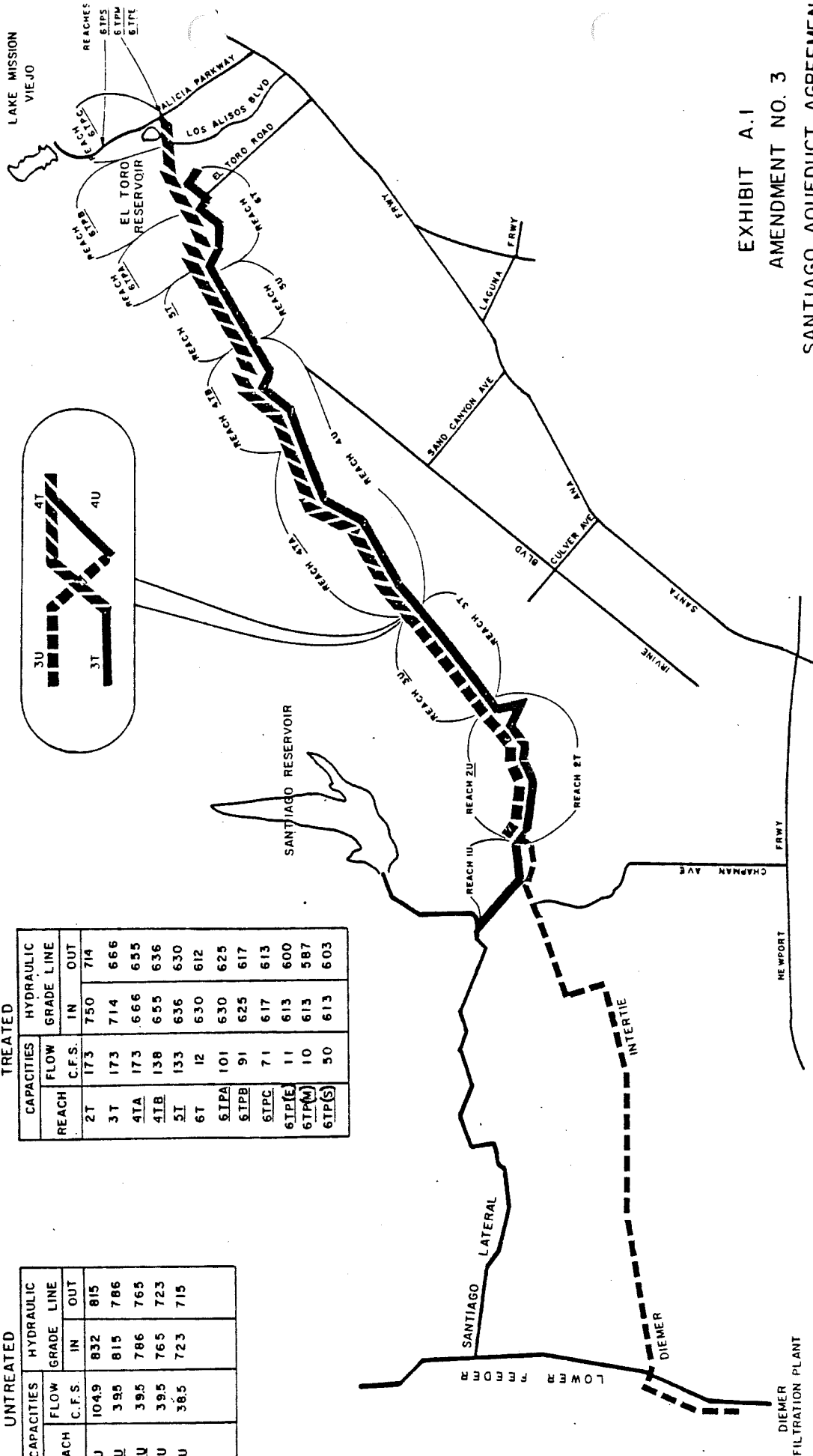


EXHIBIT A.1  
 AMENDMENT NO. 3  
 SANTIAGO AQUEDUCT AGREEMENT

## EXHIBIT C

TABLE 5.1

CAPACITIES REQUESTED - PARALLEL TO REACHES 4 AND 5  
SANTIAGO AQUEDUCT

<u>Agency</u>	<u>Reach (in cfs)</u>		
	<u>4TA</u>	<u>4TB</u>	<u>5T</u>
Irvine Ranch Water District	40.0	5.0	0
Santa Margarita Water District	67.4	67.4	67.4
County of Orange	0	0	0
Global Western Development Corporation	0	0	0
Santa Ana Mountains County Water District	0	0	0
Los Alisos Water District	16.7	16.7	16.7
El Toro Water District	6.9	6.9	6.9
Moulton-Niguel Water District	30.0	30.0	30.0
	—	—	—
Sub-Total	161.0	126.0	121.0
Oversizing to create additional 11 cfs in Reaches 2 and 3	12.0	12.0	12.0
	—	—	—
	173.0	138.0	133.0

EXHIBIT C

TABLE 7.1

ALLOCATION OF 35.6 CFS. ADDITIONAL IN REACHES 2 AND 3  
CREATED BY LOWERING HYDRAULIC ELEVATION AT END OF REACH 3 FROM 696 TO 666

<u>Agency</u>	<u>Share of 35.6 cfs</u>
Irvine Ranch Water District	11.0
Santa Margarita Water District	12.5
County of Orange	1.3
Global Western Development Corporation	3.6
Santa Ana Mountains County Water District	7.2
	<hr/>
Total	35.6



EXHIBIT C

TABLE 8.1

CAPACITIES REQUESTED - UNTREATED WATER

SANTIAGO AQUEDUCT

REACHES 2U AND 3U

<u>Agency</u>	<u>Reach (in cfs)</u>	
	<u>2U</u>	<u>3U</u>
Santa Margarita Water District	25.0	25.0
Los Alisos Water District	5.0	5.0
County of Orange	1.0	1.0
Global Western Development Corp.	2.5	2.5
Santa Ana Mountains County Water District	6.0	6.0
Irvine Ranch Water District	5.0	5.0
	<hr/>	<hr/>
	44.5	44.5

EXHIBIT C  
TABLE 9.1

EXCESS CAPACITY AND DEMAND FOR CAPACITY REACH 1  
UNTREATED WATER

<u>Agency</u>	<u>Capacity Allocated - cfs</u>	<u>Capacity Required - cfs</u>	<u>Excess cfs</u>	<u>Deficit cfs</u>
East Orange County Water District	10.0	10.0	-	-
Santiago County Water District (3)	4.7	4.7	-	-
Irvine Company	2.5	2.5	-	-
Irvine Ranch Water District	14.5	14.5	-	-
County of Orange	1.0	1.0	-	-
Global Western Development Corp.	2.5	2.5	-	-
Santa Ana Mountains County Water District	5.0	6.0	-	1.0
Las Alisos Water District <sup>(1)</sup>	24.85	5.0	19.85	-
El Toro Water District <sup>(1)</sup>	22.65	0	22.65	-
Santa Margarita Water District <sup>(2)</sup>	17.2	25.0	-	7.8
	<u>104.9</u>	<u>71.2</u>	<u>42.5</u>	<u>8.8</u>

(1) Includes 6.55 cfs leased from MWDOC

(2) Includes 17.2 cfs leased from MWDOC

(3) Includes 0.7 cfs assigned to  
SCWD from MWDOC

## EXHIBIT C

TABLE 10.1

EXCESS CAPACITY AND DEMAND FOR CAPACITY  
REACHES 2T AND 3T  
TREATED WATER

	<u>Capacity Allocated (cfs)</u>	<u>Capacity Required (cfs)</u>	<u>Excess (cfs)</u>	<u>Deficit (cfs)</u>
Irvine Ranch Water District	30.2	40		9.8
Santa Margarita Water District	42.9	50		7.1
County of Orange	2.9	0	2.9	
Global Western Development Corp	7.7	0	7.7	
Santa Ana Mountains County Water District	15.3	0	15.3	
Los Alisos Water District	37.9	30	7.9	
El Toro Water District	36.1	23	13.1	
Moulton-Niguel Water District	0	30		30
	<u>173.0</u>	<u>173.0</u>	<u>46.9</u>	<u>46.9</u>

EXHIBIT C  
TABLE 11.1

DESCRIPTION OF TREATED WATER SYSTEM

REACH	2T	3T	4TA	4TB	5T	6T	6TPA	6TPB	6TPC	6TP(E)	6TP(M)	6TP(S)
Length	10,425	7,950	10,700	18,900	6,070	10,450	8,000	4,700	1,800	1,200	2,900	7,200
Total Capacity	173	173	173	138	133	12	101	91	71	11	10	50
Hgl Elevation at End	714	666	655	636	630	612	625	617	613	600	587	603
Capacity Allocation:												
Irvine Ranch Water District	40	40	40	5	0	0	---	---	---	---	---	---
Santa Margarita Water District	50	50	50	50	50	0	50	50	50	---	---	50*
County of Orange	0	0	0	0	0	0	---	---	---	---	---	---
Global Western Development Corp.	0	0	0	0	0	0	---	---	---	---	---	---
Santa Ana Mountains County Water Dist.	0	0	0	0	0	0	---	---	---	---	---	---
El Toro Water District	23	23	23	23	23	12	11	11	11	11	---	---
Moulton-Niguel Water District	30	30	30	30	30	0	30	30	10	---	10	---
Los Alisos Water District	30	30	30	30	30	0	10	---	---	---	---	---

\*Reach 6TPS may be extended for Santa Margarita Water District. The extension involves 6000 feet of pipe from the end of Reach 6 at Alicia Parkway near El Toro Reservoir to the Lakeside Pumping Station at Alicia and Marguerite. The pipe capacity will be 76 c.f.s. to Trabuco Road, and thereafter 50 c.f.s. to Marguerite, and will be financed through the Corporation. The construction of this extension is subject to all necessary engineering and environmental studies required to insure compliance with the California Environmental Quality Act. No action will be taken to include the extension in the Project until such time as the environmental consequences of implementation of the extension are weighed against the Project benefits.

## EXHIBIT C

TABLE 12.1

## DESCRIPTION OF UNTREATED WATER SYSTEM

Reach	1U	2U	3U	4U	5U
Length	19,000	10,425	7,950	28,500	6,070
Capacity	104.9	44.5	44.5	44.5	38.5
Hgl Elevation at End	815	786	765	723	715
Capacity Allocation:					
East Orange County Water District	10.0	--	--	--	--
Santiago County Water District	4.7	--	--	--	--
Irvine Company	2.5	--	--	--	--
Santa Margarita Water District	25.0	25.0	25.0	25.0	25.0
Los Alisos Water District	20.75	5.0	5.0	5.0	5.0
County of Orange	1.0	1.0	1.0	1.0	--
Global Western Development Corp.	2.5	2.5	2.5	2.5	2.5
Santa Ana Mountains County Water District	6.0	6.0	6.0	6.0	6.0
Irvine Ranch Water District	14.5	5.0	5.0	5.0	--
El Toro Water District	17.95	--	--	--	--

EXHIBIT C  
TABLE 13.1  
ALLOCATION OF MAINTENANCE COSTS  
SANTIAGO AQUEDUCT  
(cfs. - ft.)

	Untreated					Treated					Percent of Total								
	1U	2U	3U	4U	5U	2T	3T	4TA	4TB	5T	6T	6TPA	6TPB	6TPC	6TPM	6TPRS	6TPRE	Total	Percent of Total
EOCWD	190,000	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	190,000	1.3
SCWD	89,300	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	89,000	0.6
TIC	47,500	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	47,500	0.3
IRWD	275,000	52,100	39,800	142,500	--	417,000	318,000	428,000	94,500	--	--	--	--	--	--	--	--	1,767,000	12.1
Co./Orange	19,000	10,400	8,000	28,500	--	--	--	--	--	--	--	--	--	--	--	--	--	65,900	0.5
Global Western Devel. Corp.	47,500	26,100	19,900	71,300	15,200	--	--	--	--	--	--	--	--	--	--	--	--	180,000	1.2
SAMCWD	114,000	62,600	47,700	171,000	36,400	--	--	--	--	--	--	--	--	--	--	--	--	431,700	3.0
LAWD	394,300	52,100	39,800	142,500	30,400	312,800	238,500	321,000	567,000	182,100	--	80,000	--	--	--	--	--	2,360,500	16.1
ETWD	341,000	--	--	--	--	239,800	182,900	246,000	434,700	139,600	125,400	88,000	51,700	19,800	--	--	13,200	1,887,200	12.8
SMWD	475,000	260,600	198,800	712,500	151,800	521,300	397,500	535,000	945,000	303,500	--	400,000	235,000	90,000	--	360,000	--	5,586,000	38.1
MNWD	--	--	--	--	--	312,800	238,500	321,000	567,000	182,100	--	240,000	141,000	18,000	29,000	--	--	2,049,400	14.0
	1,993,100	463,900	354,000	1,268,300	233,800	1,803,700	1,375,400	1,851,000	2,608,200	807,300	125,400	808,000	427,700	127,800	29,000	360,000	13,200	14,649,900	100.0

EXHIBIT C

TABLE 14.1

ALLOCATION FORMULA FOR CAPITAL IMPROVEMENTS

PERCENTAGE CAPACITY BY REACH  
TREATED AND UNTREATED SYSTEM

AGENCY	1U	2U	3U	4U	5U	2T	3T	4TA	4TB	5T	6T	6TPA	6TPB	6TPC	6TP(E)	6TP(M)	6TP(S)
EOCWD	9.5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
SCWD	4.5	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
TIC	2.4	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Co/Orange	1.0	2.2	2.2	2.2	--	--	--	--	--	--	--	--	--	--	--	--	--
Global Western Dev. Corp.	2.4	5.6	5.6	5.6	6.5	--	--	--	--	--	--	--	--	--	--	--	--
IRWD	13.8	11.2	11.2	11.2	--	23.2	23.2	23.2	3.6	--	--	--	--	--	--	--	--
SAMCWD	5.7	13.6	13.6	13.6	15.6	--	--	--	--	--	--	--	--	--	--	--	--
LAWD	19.8	11.2	11.2	11.2	13.0	17.3	17.3	17.3	21.7	22.6	--	9.9	--	--	--	--	--
ETWD	17.1	--	--	--	--	13.3	13.3	13.3	16.7	17.3	100.0	10.9	12.1	15.1	100	--	--
SMWD	23.8	56.2	56.2	56.2	64.9	28.9	28.9	28.9	36.3	37.5	--	49.5	54.9	70.4	--	--	100
MINWD	--	--	--	--	--	17.3	17.3	17.3	21.7	22.6	--	29.7	33.0	14.1	--	100	--
	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Based on Data from Tables 11 and 12

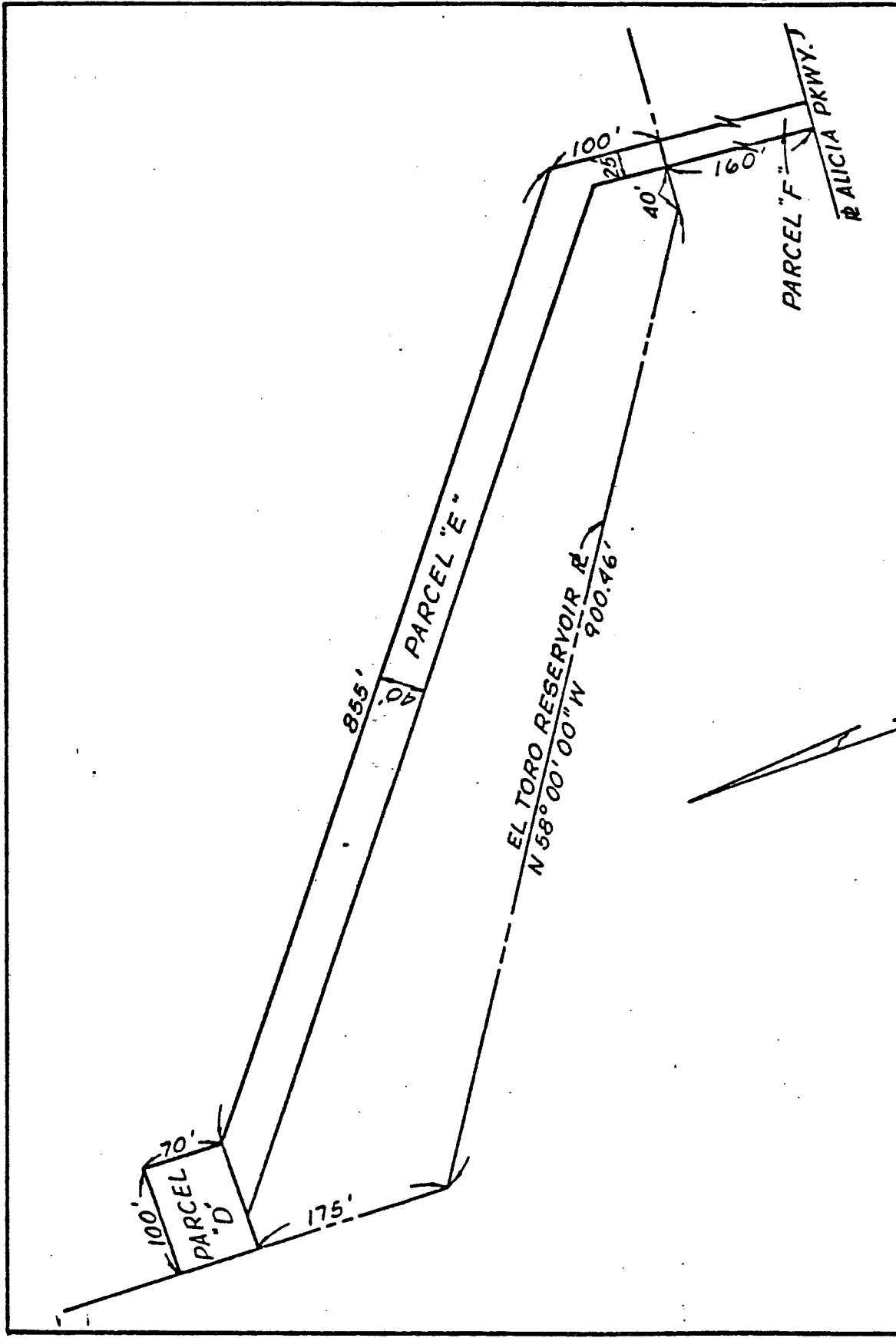


EXHIBIT "D"


 Bolivar Engineering Corporation  
 consulting engineers / architects



AMENDMENT NO. 6  
TO THE  
SANTIAGO AQUEDUCT COMMISSION  
JOINT POWERS AGREEMENT

THIS AMENDMENT, made and entered into as of the 8th day of July, 1999, by and among the following member agencies: LOS ALISOS WATER DISTRICT ("Los Alisos"), EL TORO WATER DISTRICT ("El Toro"), both California Water District, organized and existing under Division 13 of the California Water Code, and MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, also known as ORANGE COUNTY MUNICIPAL WATER DISTRICT in the Agreement to which this Amendment relates ("MWDOC"), a public district organized under the Municipal Water District Act of 1911, the assignees of MWDOC's capacity rights in the Santiago Aqueduct, to wit: EAST ORANGE COUNTY WATER DISTRICT ("East Orange"), and SANTIAGO COUNTY WATER DISTRICT ("Santiago"), TRABUCO CANYON WATER DISTRICT also known as SANTA ANA MOUNTAINS COUNTY WATER DISTRICT in the Agreement to which this Amendment relates ("Trabuco"), each being a County Water District organized and existing under Division 12 of the California Water Code; and IRVINE RANCH WATER DISTRICT ("Irvine Ranch"), SANTA MARGARITA WATER DISTRICT ("Santa Margarita"), and MOULTON NIGUEL WATER DISTRICT ("Moulton Niguel"), each being a California Water District, organized and existing under Division 13 of the Water Code; the COUNTY OF ORANGE, a body politic and corporate, and the SANTIAGO AQUEDUCT COMMISSION (the "Commission"), created by the Santiago Aqueduct Commission Joint Powers Agreement (the "Joint Powers Agreement").

W I T N E S S E T H:

WHEREAS, the Joint Powers Agreement was entered into as of the 13<sup>th</sup> day of April, 1961 and Amendments were made thereto as of the 11<sup>th</sup> day of September, 1961, the 20<sup>th</sup> day of December, 1974 (the "1974 Amendment"), Amendment No. 2 was entered into as of the 13<sup>th</sup> day of January, 1978 ("Amendment No. 2"), Amendment No. 3 was entered into as of the 1<sup>st</sup> day of November, 1978, Amendment No. 4 was entered into as of the 1<sup>st</sup> day of September 1981, and Amendment No. 5 was entered into as of the 22<sup>nd</sup> day of October 1986; and

WHEREAS, there is uncertainty as to the qualifications of a Commission member (sometimes hereinafter referred to as the "regular member") and the alternates members to the Commission appointed by the respective member agencies as a result of the amendment of Section 3 by the 1974 Amendment and the further amendment of Section 3 by Amendment No. 2 and Amendment No. 5; and

WHEREAS, the Commission at its meeting held on April 8, 1999 adopted a motion recommending to each of the member agencies that the Joint Powers Agreement be amended to provide that each of the member agencies be authorized to appoint any person as its representative regular member and as its alternate members to the Commission;

COPY

NOW, THEREFORE, the parties, for and in consideration of the mutual covenants herein contained and as part of the mutual covenants contained in the Joint Powers Agreement hereinabove referred to, agree together as follows:

SECTION 1. Section 3 is hereby amended to read as follows: "The Commission shall consist of seven (7) regular members, one (1) regular member to be selected by each of the following member agencies:

El Toro Water District;  
Los Alisos Water District;  
Irvine Ranch Water District;  
Santa Margarita Water District;  
Trabuco Canyon Water District;  
Moulton Niguel Water District; and  
Municipal Water District of Orange County

The Commission shall maintain and operate the Aqueduct System. Each member agency shall have one vote. It is understood that MWDOC will be representing its agency and East Orange, Santiago, the County of Orange and The Irvine Company. Each member agency may appoint two alternate members, designated a first alternate member and a second alternate member.

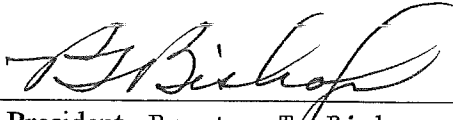
Each member agency may appoint any person as its regular member or as an alternate member. All regular members and alternate members so appointed by the governing body of each member agency shall serve at the pleasure of the member agency appointing them. Alternate members may attend all meetings of the Commission and shall be notified of all meetings. The first alternate member or the second alternate member, in that order, may act for a regular member appointed by the member agency appointing such alternate members at any time such regular member is absent from a meeting of the Commission. On the resignation or removal of the regular member by the member agency appointing him or her, the member agency which appointed him or her shall appoint a regular member to replace him or her. An alternate member who resigns or is removed by the member agency appointing said alternate member, may be replaced by said member agency. Each regular member and each alternate member shall file with the Commission a certified copy of the resolution of the member agency appointing him or her. The Commission shall at the first regular Commission meeting of each year elect one of its regular members as Chairman who shall preside at all meetings. The Commission shall at said time also elect a regular member as Vice Chairman who shall preside at all meetings in absence of the Chairman. At said time the Commission shall also appoint a Secretary who need not be a member of the Commission. In the event a vacancy occurs in the office of Chairman or Vice Chairman, the Commission shall elect one of its regular members as Chairman or Vice Chairman and in the event a vacancy occurs in the office of Secretary, the Commission shall elect a new Secretary. The Chairman, Vice Chairman and Secretary shall serve until a new Chairman, Vice Chairman or Secretary is elected."


SECTION 2. This Amendment shall be executed by all parties in duplicate, each of which shall be considered an original Amendment. The Amendment executed by each of the parties shall be identical to this Amendment, and each Amendment may not be altered or change without the consent of all the remaining parties.

IN WITNESS WHEREOF, each of the parties hereto has caused this Instrument to be executed by its respective officials theretofore duly authorized by the governing body thereof.

DATED: May 12, 1999

LOS ALISOS WATER DISTRICT

By:   
President Preston T Bishop

By:   
Secretary Don R. Adkinson

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

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

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

DATED: \_\_\_\_\_

MUNICIPAL WATER DISTRICT OF ORANGE  
COUNTY, formerly known as ORANGE COUNTY  
MUNICIPAL WATER DISTRICT

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

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

IN WITNESS WHEREOF, each of the parties hereto has caused this Instrument to be executed by its respective officials theretofore duly authorized by the governing body thereof.

DATED: \_\_\_\_\_

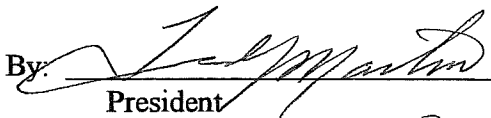
LOS ALISOS WATER DISTRICT

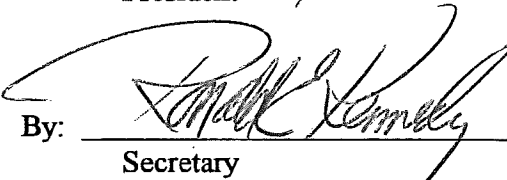
By: \_\_\_\_\_  
President

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

DATED: 4/22/99

EL TORO WATER DISTRICT

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

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

DATED: \_\_\_\_\_

MUNICIPAL WATER DISTRICT OF ORANGE  
COUNTY, formerly known as ORANGE COUNTY  
MUNICIPAL WATER DISTRICT

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

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

IN WITNESS WHEREOF, each of the parties hereto has caused this Instrument to be executed by its respective officials theretofore duly authorized by the governing body thereof.

DATED: \_\_\_\_\_

LOS ALISOS WATER DISTRICT

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

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

DATED: \_\_\_\_\_

EL TORO WATER DISTRICT

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

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

DATED: 5-19-99

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, formerly known as ORANGE COUNTY MUNICIPAL WATER DISTRICT

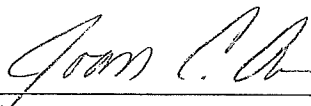
By: Kenneth H. Watt  
President

By: Catherine Harris  
Secretary

DATED: June 14, 1999

EAST ORANGE COUNTY WATER DISTRICT

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

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

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

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

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

DATED: \_\_\_\_\_

MOULTON NIGUEL WATER DISTRICT

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

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

DATED: \_\_\_\_\_

TRABUCO CANYON WATER DISTRICT formerly known as SANTA ANA MOUNTAINS COUNTY WATER DISTRICT

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

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

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

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

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

DATED: 7/7/99

IRVINE RANCH WATER DISTRICT *JA*  
*7-5-99*

By: *Wayne Miller*  
President

By: *Leshi Hens*  
Secretary

DATED: \_\_\_\_\_

MOULTON NIGUEL WATER DISTRICT

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

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

DATED: \_\_\_\_\_

TRABUCO CANYON WATER DISTRICT formerly  
known as SANTA ANA MOUNTAINS COUNTY  
WATER DISTRICT

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

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

DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

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

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

DATED: \_\_\_\_\_

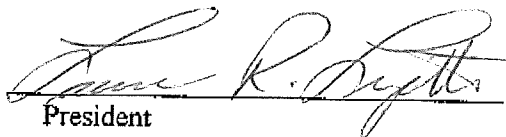
IRVINE RANCH WATER DISTRICT


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

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

DATED: \_\_\_\_\_

MOULTON NIGUEL WATER DISTRICT

By:   
President

By:   
Secretary

DATED: \_\_\_\_\_

TRABUCO CANYON WATER DISTRICT formerly  
known as SANTA ANA MOUNTAINS COUNTY  
WATER DISTRICT

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

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



DATED: \_\_\_\_\_

EAST ORANGE COUNTY WATER DISTRICT

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

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

DATED: \_\_\_\_\_

IRVINE RANCH WATER DISTRICT

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

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

DATED: \_\_\_\_\_

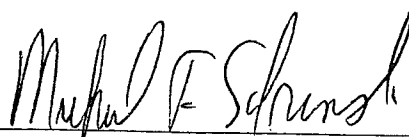
MOULTON NIGUEL WATER DISTRICT

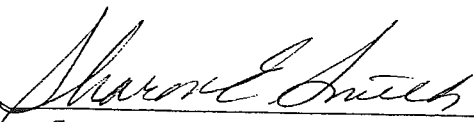
By: \_\_\_\_\_  
President

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

DATED: June 16, 1999

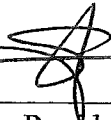
TRABUCO CANYON WATER DISTRICT formerly known as SANTA ANA MOUNTAINS COUNTY WATER DISTRICT

By:   
President

By:   
Secretary

DATED: 4-28-99

SANTA MARGARITA WATER DISTRICT

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

By: Judy H. Jackson  
\_\_\_\_\_  
Secretary

DATED: \_\_\_\_\_

SANTIAGO AQUEDUCT COMMISSION

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

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

DATED: \_\_\_\_\_

SANTIAGO COUNTY WATER DISTRICT

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

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

DATED: \_\_\_\_\_

COUNTY OF ORANGE

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

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

DATED: \_\_\_\_\_

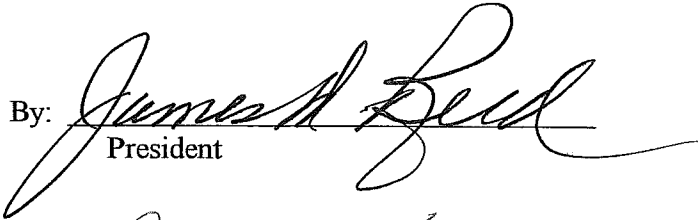
SANTA MARGARITA WATER DISTRICT

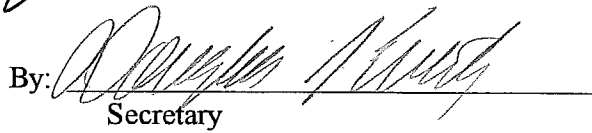
By: \_\_\_\_\_  
President

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

DATED: 7/8/99

SANTIAGO AQUEDUCT COMMISSION

By:   
President

By:   
Secretary

DATED: \_\_\_\_\_

SANTIAGO COUNTY WATER DISTRICT

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

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

DATED: \_\_\_\_\_

COUNTY OF ORANGE

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

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

DATED: \_\_\_\_\_

SANTA MARGARITA WATER DISTRICT

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

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

DATED: \_\_\_\_\_

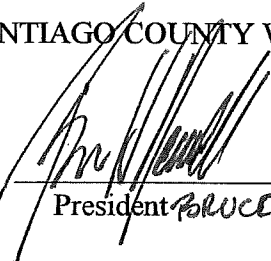
SANTIAGO AQUEDUCT COMMISSION


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

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

DATED: 6.9.99

SANTIAGO COUNTY WATER DISTRICT

By:   
President BRUCE H. NEWELL

By:   
Secretary

DATED: \_\_\_\_\_

COUNTY OF ORANGE

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

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

DATED: \_\_\_\_\_

SANTA MARGARITA WATER DISTRICT

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

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

DATED: \_\_\_\_\_

SANTIAGO AQUEDUCT COMMISSION

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

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

DATED: \_\_\_\_\_

SANTIAGO COUNTY WATER DISTRICT

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

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

DATED: \_\_\_\_\_

COUNTY OF ORANGE

APPROVED AS TO FORM  
Laurence L. Watson, County Counsel  
ORANGE COUNTY, CALIFORNIA

By: [Signature]  
Deputy

Date: 6/19/99

By: Charles V. Smith  
CHAIRMAN OF THE BOARD OF SUPERVISORS

SIGNED AND CERTIFIED THAT A COPY  
OF THIS DOCUMENT HAS BEEN DELIVERED  
TO THE CHAIRMAN OF THE BOARD.

By: [Signature]  
DARLENE J. BLOOM

Clerk of the Board of Supervisors  
of Orange County, California







AMENDMENT NO. 7

TO THE

SANTIAGO AQUEDUCT COMMISSION

JOINT POWERS AGREEMENT

THIS AMENDMENT, made and entered into as of the 19<sup>th</sup> day of June, 2014, by and among the following agencies who are, on the date hereof, members of the Santiago Aqueduct Commission created by the Joint Powers Agreement entered into as of April 13, 1961, as amended, (the “Joint Powers Agreement”) or who have capacity in the Santiago Aqueduct (herein sometimes referred to as the “Baker Pipeline”), as hereinafter described, and are represented by members: MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, also known as ORANGE COUNTY MUNICIPAL WATER DISTRICT in a previous Amendment to this Joint Powers Agreement (“MWDOC”), a public district organized under the Municipal Water District Act of 1911; EAST ORANGE COUNTY WATER DISTRICT (“EOCWD”) and TRABUCO CANYON WATER DISTRICT also known as SANTA ANA MOUNTAIN COUNTY WATER DISTRICT in a previous amendment to this Joint Powers Agreement (“TCWD”), each being a County Water District organized and existing under Division 12 of the California Water Code; EL TORO WATER DISTRICT (“ETWD”), IRVINE RANCH WATER DISTRICT, which includes the former territory of the Los Alisos Water District (“Los Alisos”), a previous member agency, which was consolidated with the Irvine Ranch Water District as of January 1, 2001, and the former territory of the Santiago County Water District (“Santiago”), a previous owner of capacity, which was consolidated with the Irvine Ranch Water District as of July 1, 2006 (“IRWD”), SANTA MARGARITA WATER DISTRICT (“SMWD”), and MOULTON NIGUEL WATER DISTRICT (“MNWD”), each being a California Water District, organized and existing under Division 13 of the Water Code; and the COUNTY OF ORANGE (“County”), a body politic and corporate, THE IRVINE COMPANY LLC, a Delaware limited liability company (“TIC”), and the SANTIAGO AQUEDUCT COMMISSION (herein called the “Commission”), created by the Santiago Aqueduct Commission Joint Powers Agreement (as amended, herein called the “Joint Powers Agreement”) (herein sometimes referred to as the “existing member agencies and represented agencies”).

WITNESSETH:

WHEREAS, the Joint Powers Agreement was entered into as of the 13<sup>th</sup> day of April, 1961, and Amendments were made thereto as of the 11<sup>th</sup> day of September, 1961 and the 20<sup>th</sup> day of December, 1974 (the “1974 Amendment”), Amendment No. 2 was entered into as of the 13<sup>th</sup> day of January, 1978, Amendment No. 3 was entered into as of the 1<sup>st</sup> day of November, 1978, Amendment No. 4 was entered into as of the 1<sup>st</sup> day of September, 1981, Amendment No. 5 was

AMENDMENT NO. 7 TO THE SANTIAGO AQUEDUCT COMMISSION JOINT POWERS AGREEMENT

entered into as of the 22<sup>nd</sup> day of October, 1986, and Amendment No. 6 was entered into as of the 8<sup>th</sup> day of July, 1999; and

WHEREAS, the Joint Powers Agreement, as amended, established certain hydraulic grade lines (HGL) and capacities for the member agencies and represented agencies in the various reaches of the Baker Pipeline; and

WHEREAS, costs of maintenance, capital repairs and capital improvements to the Baker Pipeline are allocated to the member agencies and represented agencies in proportion to their individual capacity ownerships in each reach relative to the total capacity in each reach and the length of such reach in proportion to the length of the Baker Pipeline as a whole; and

WHEREAS, those capacities, over time, have been transferred among various member agencies and represented agencies, with the current capacities being derived from the capacities set forth by Amendment No. 3 to the Joint Powers Agreement and subsequent transactions reported to the Commission as reflected in the letter of “Clarification of the Second and Subsequent Amendments to the Santiago Aqueduct Commission Joint Powers Agreement Tables 12, 13 and 14,” issued by MWDOC in 1984, and in the May 16, 1988 and January 25, 2007 Commission “Description of V.P. Baker Aqueduct System” tables; and

WHEREAS, various member agencies have entered into an agreement to construct a water treatment plant (herein called the “Baker Water Treatment Plant”) to treat water conveyed by the Baker Pipeline; and

WHEREAS, those member agencies have entered into an agreement dated December 16, 2013 titled “AGREEMENT RELATING TO BAKER PIPELINE CAPACITY TRANSFERS AMONG BAKER WATER TREATMENT PLANT PARTICIPANTS” (herein called the “Transfer Agreement”) to transfer capacities in the Baker Pipeline among participants in the construction of the Baker Water Treatment Plant on a pooled basis in order to provide each participant with required “matching” capacity in the Baker Pipeline reaches sufficient to use its Baker Water Treatment Capacity, and have reported or will report those transfers to the Commission; and

WHEREAS, in order to establish the current hydraulic capacity of the Baker Pipeline as a basis for determining the appropriate capacity transfer amounts, an hydraulic analysis was conducted in 2009, which identified some variations between the hydraulic capacities and the current contractual capacities of the Baker Pipeline; and

WHEREAS, pursuant to Section 5.3 of the Transfer Agreement, it is the desire of the member agencies and represented agencies to recognize that the capacities of the agencies not participating in the Transfer Agreement are to remain unchanged as a result of the transfers resulting from the Transfer Agreement; and






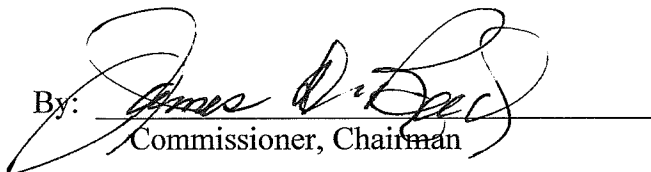
AMENDMENT NO. 7 TO THE SANTIAGO AQUEDUCT COMMISSION JOINT POWERS AGREEMENT

IN WITNESS WHEREOF, each of the parties hereto has caused this Instrument to be executed by its respective officials heretofore duly authorized by the governing body thereof.

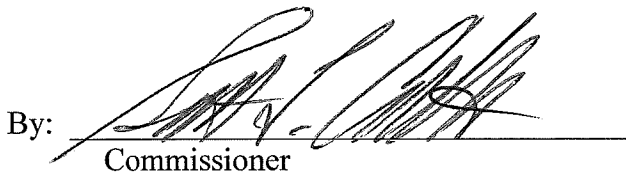
EL TORO WATER DISTRICT

By:   
Commissioner

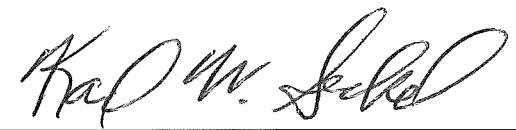
IRVINE RANCH WATER DISTRICT

By:   
Commissioner, Chairman

MOULTON NIGUEL WATER DISTRICT

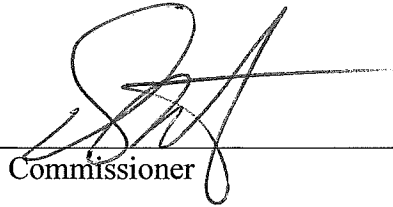
By:   
Commissioner

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, formerly known as  
ORANGE COUNTY MUNICIPAL WATER DISTRICT


By:   
Alt. Commissioner

AMENDMENT NO. 7 TO THE SANTIAGO AQUEDUCT COMMISSION JOINT POWERS AGREEMENT

SANTA MARGARITA WATER DISTRICT

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

TRABUCO CANYON WATER DISTRICT, formerly known as SANTA ANA MOUNTAINS COUNTY WATER DISTRICT

By:  \_\_\_\_\_  
ALT. Commissioner

**EXHIBIT A**  
**BAKER PIPELINE CAPACITY OWNERSHIP RIGHTS**

Pipeline Capacities						
	Reach 1U	Reach 2U	Reach 3U	Reach 4U	Reach 5U	
Length (LF)	9,400	10,425	7,950	28,500	6,070	
HGL Elev at End of Reach <sup>1</sup>	816	788	770	703	690	
Agency	CFS	CFS	CFS	CFS	CFS	CFS
East Orange County Water District <sup>2</sup>	10.00	-	-	-	-	-
The Irvine Company <sup>2</sup>	2.50	-	-	-	-	-
County of Orange <sup>2</sup>	1.00	1.06	1.06	1.06	-	-
Irvine Ranch Water District	46.50	14.59	10.54	10.54	10.50	
Santa Margarita Water District	13.00	13.08	13.05	13.05	13.00	
Trabuco Canyon Water District	8.00	8.05	8.03	8.03	8.00	
El Toro Water District	5.00	5.00	5.00	5.00	5.00	
Moulton Niguel Water District	13.00	13.00	13.00	13.00	13.00	
<b>Total Capacity</b>	<b>99.00</b>	<b>54.78</b>	<b>50.68</b>	<b>50.68</b>	<b>49.50</b>	

<sup>1</sup> Beginning HGL elevation of 832 at OC-33

<sup>2</sup> East Orange County Water District, The Irvine Company, County of Orange proposed pipeline capacities match existing contractual pipeline capacities in each pipeline reach prior to capacity transfers between participants in the Baker Water Treatment Plant.

**EXHIBIT B**  
**BAKER PIPELINE MAINTENANCE, CAPITAL REPAIR AND CAPITAL IMPROVEMENT SHARES**

Pipeline Capacities -- Maintenance, Capital Repair and Capital Improvement Shares, Total and By Reach												
Length (LF)	Reach 1U		Reach 2U		Reach 3U		Reach 4U		Reach 5U		Total Pipeline	
	Capacity Length	%	Capacity Length	%	Capacity Length	%	Capacity Length	%	Capacity Length	%	Capacity Length	%
East Orange County Water District	94,000	9.53%	-	-	-	-	-	-	-	-	94,000	2.58%
The Irvine Company	23,500	2.38%	-	-	-	-	-	-	-	-	23,500	0.64%
County of Orange	9,400	0.95%	11,051	2.33%	8,427	2.33%	30,210	2.33%	-	-	59,088	1.62%
Irvine Ranch Water District	437,100	47.46%	152,101	26.52%	83,793	20.73%	300,390	20.73%	63,735	21.22%	1,037,119	28.42%
Santa Margarita Water District	122,200	13.35%	136,359	23.65%	103,747	25.61%	371,925	25.61%	78,910	26.26%	813,141	22.28%
Trabuco Canyon Water District	75,200	8.15%	83,921	14.64%	63,839	15.81%	228,855	15.81%	48,560	16.16%	500,375	13.71%
El Toro Water District	47,000	5.05%	52,125	9.13%	39,750	9.87%	142,500	9.87%	30,350	10.10%	311,725	8.54%
Moulton Niguel Water District	122,200	13.13%	135,525	23.73%	103,350	25.65%	370,500	25.65%	78,910	26.26%	810,485	22.21%
<b>Total</b>	<b>930,600</b>	<b>100%</b>	<b>571,082</b>	<b>100%</b>	<b>402,906</b>	<b>100%</b>	<b>1,444,380</b>	<b>100%</b>	<b>300,465</b>	<b>100%</b>	<b>3,649,433</b>	<b>100%</b>