

TERMS FOR AMENDMENT TO COORDINATED OPERATING AGREEMENT WITH METROPOLITAN AND MWDOC

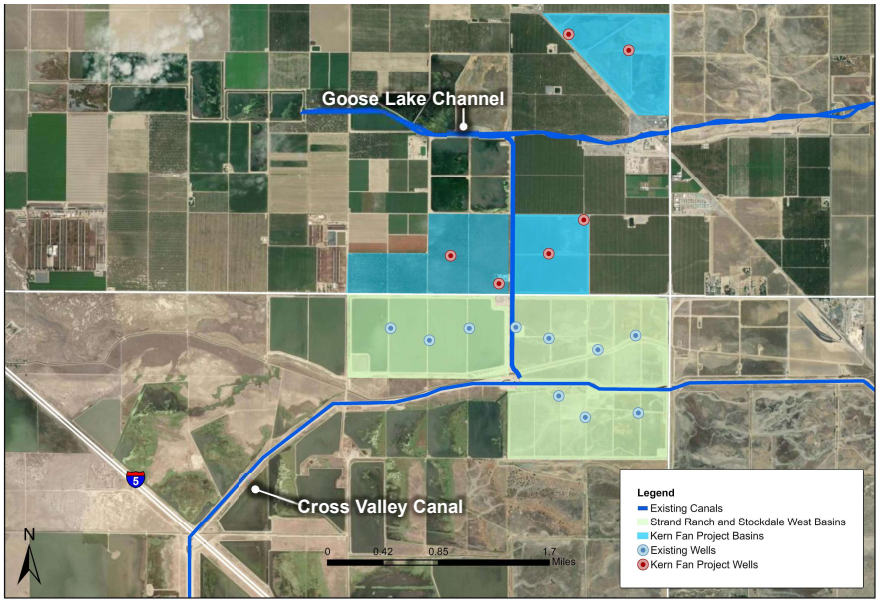
MWDOC JOINT BOARD WORKSHOP

SEPTEMBER 2, 2026

AGENDA

1. Overview of IRWD Water Banking Projects
2. Background on Coordinated Operating, Water Storage, Exchange and Delivery Agreement (COA)
   - Key Terms of the Current COA
   - IRWD Exchange Programs
3. Benefits of Current COA
4. Proposed Principles for Amendment
5. Benefits of Amendment
6. Questions at Metropolitan One Water & Adaptation Committee
7. Next Steps

OVERVIEW OF IRWD WATER BANKING PROJECTS



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BACKGROUND

- COA executed in 2011
  - Parties: Metropolitan, MWDOC and IRWD
- Allows IRWD to acquire and store State Water Project (SWP) supplies in IRWD's Water Bank
- IRWD banking operations require conveyance through the SWP
  - Deliveries to bank
  - Return of exchange water to partners
  - Deliveries to IRWD
- Metropolitan facilitates SWP conveyance on behalf of IRWD through the COA
  - DWR conveyance billing
  - DWR agreement execution

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KEY TERMS OF THE CURRENT COA

1. Storage Facilities: Strand Ranch
2. Program Water (SWP supplies) is obtained through unbalanced exchanges with State Water Contractors (SWCs): "Exchange Partners"
3. IRWD cannot acquire SWP supplies that Metropolitan is actively pursuing
4. IRWD's exchange agreements require Metropolitan's consent
5. Metropolitan pays DWR fees for deliveries to IRWD's bank
6. IRWD pays all fees associated with the storage of water
7. Exchange Partners pay DWR fees for deliveries to their service areas
8. MWDOC pays Metropolitan's Full-Service Rate for all water delivered to MWDOC for IRWD: IRWD reimburses MWDOC
9. Metropolitan can borrow Program Water from IRWD
10. Termination: Nov. 4, 2035

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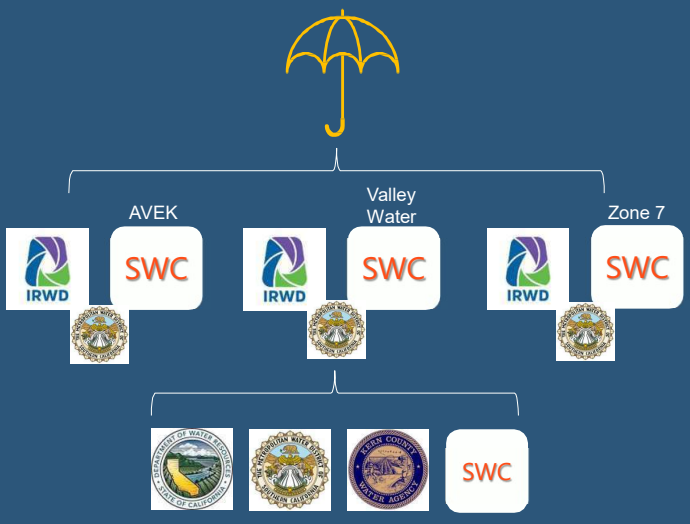
IRWD EXCHANGE PROGRAMS

Exchanges

COA

Exchange Agreements

DWR Agreements



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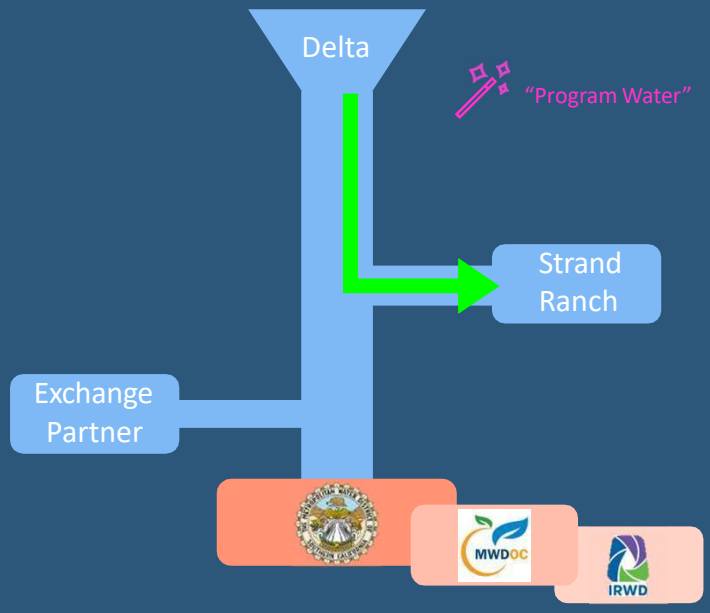
Source: Metropolitan

DELIVERY

Exchanges



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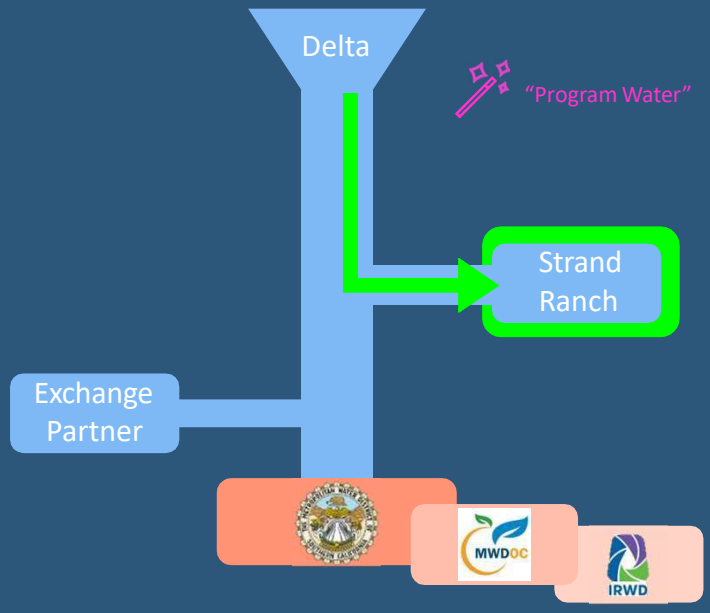
Source: Metropolitan

STORAGE

Exchanges



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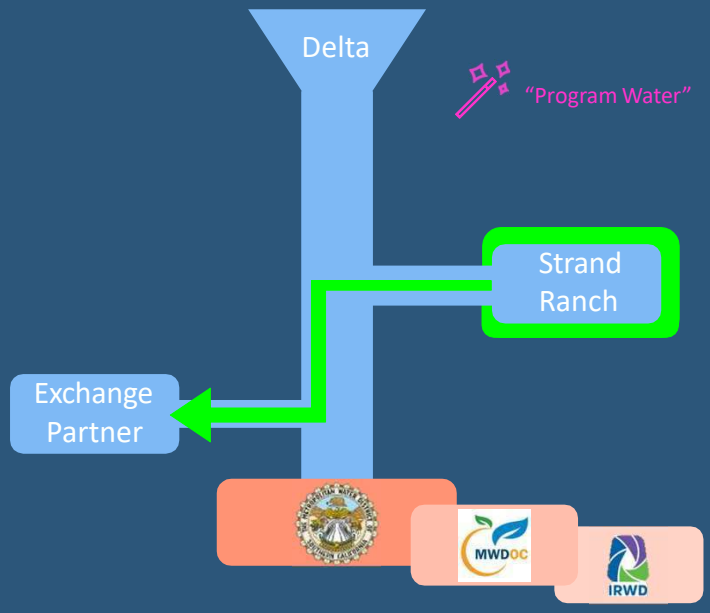
Source: Metropolitan

RECOVERY – EXCHANGE PARTNER

Exchanges



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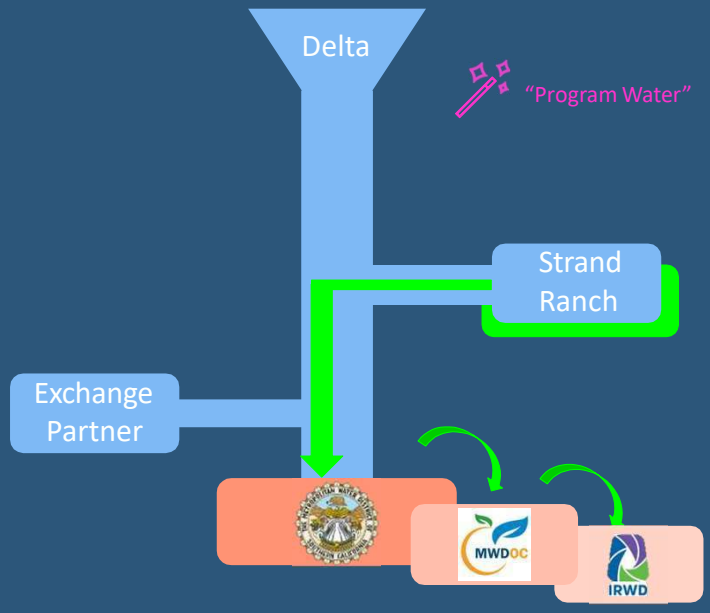
Source: Metropolitan

RECOVERY - IRWD

Exchanges



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Source: Metropolitan

BENEFITS OF THE CURRENT COA

1. IRWD benefits from all Program Water secured; borrowing is temporary
2. Metropolitan's SWP exchange and conveyance capacities used to facilitate IRWD's banking programs
3. IRWD pays lower power costs through Metropolitan's melded rate
4. Program Water deliveries to IRWD are not subject to lower priorities for wheeling
5. Metropolitan pays all SWP variable costs
6. IRWD pays Metropolitan Full Service rate
   - Supply cost only paid once
7. When Metropolitan declares a Water Supply Allocation:
   - Program Water qualifies as Extraordinary Supply
   - IRWD can request delivery of Program Water into its service area
   - IRWD avoids Metropolitan Allocation Surcharge with use of Extraordinary Supply
8. Increased local water supply reliability for IRWD rate payers

PRINCIPLES FOR PROPOSED AMENDMENT

1. **Incorporation of Water Banking Facilities:** Incorporate Stockdale West and Kern Fan Project facilities
2. **Source of Program Water:** Expand definition of Program Water to include water obtained through purchases, transfers and exchanges regardless of return ratio
3. **DWR Fees for Delivery of Program Water:** Clarify that Metropolitan will directly pay DWR charges
4. **Repayment of Borrowed Water:** Remove option for Metropolitan to incur a future obligation to deliver water to IRWD when borrowing water
   - Water must be returned to the IRWD Water Bank within 3 years
5. **Transfers of Program Water:** New provision that would allow Program Water to be transferred from IRWD to other Member Agencies (e.g. Las Virgenes MWD)

BENEFITS OF AMENDMENT TO IRWD

1. Expand IRWD's storage of Program Water to include Stockdale West and Kern Fan Project facilities (from 50,000 AF to 113,000 AF)
2. Allow IRWD to secure Program Water through water purchases, transfers and exchanges involving any return ratio
3. Ensure all Program Water secured would be available as Extraordinary Supply, consistent with Metropolitan Board Policy
4. Facilitate the Water Storage and Exchange Program with Las Virgenes and allow for development of new shared reliability programs with Metropolitan Member Agencies
5. Relieve IRWD of the obligation to pay DWR variable charges

METROPOLITAN ONE WATER & ADAPTATION COMMITTEE

Questions asked:

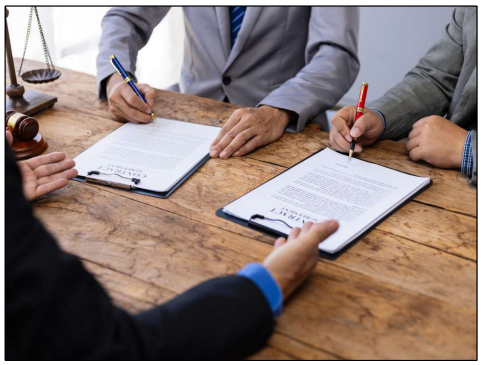
1. Is there a financial burden on Metropolitan due to COA?
   Answer: No. Metropolitan makes a financial return on SWP supply costs.

2. Does IRWD reimburse Metropolitan for administration of COA?
   Answer: Yes. Metropolitan is made financially whole through the Full-Service Tier 1 Rate.

3. Are elements of the COA applicable to other Member Agency programs?
   Answer: Yes. The COA sets precedent on how to implement Extraordinary Supply Programs:
   a) Storage outside Metropolitan service area;
   b) Deliveries by exchange;
   c) Borrowing of water by Metropolitan;
   d) Consistency with Metropolitan Policy Principles; and
   e) Other

NEXT STEPS

- Approval of COA Amendment principles
  - ✓IRWD Board – August 24
  - Metropolitan Board – September 2
  - MWDOC Board – September 16
- Preparation of Amended COA
  - Fall 2026
- Execution of Amended COA
  - Winter 2027



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QUESTIONS



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