

CONTRACT FOR A PORTION OF KERN COUNTY WATER AGENCY  
KERN RIVER LOWER RIVER RIGHTS AND OBLIGATIONS

This contract (“Agreement”) is made this \_\_\_ day of \_\_\_\_\_ 2026, by and between the Kern County Water Agency (“Agency”), a political subdivision of the State of California, and the Member Units of the Agency, more specifically Belridge Water Storage District, Berrenda Mesa Water District, Buena Vista Water Storage District, Cawelo Water District, Henry Miller Water District, Kern Delta Water District, Lost Hills Water District, Rosedale-Rio Bravo Water Storage District, Semitropic Water Storage District, Tehachapi-Cummings County Water District, Tejon-Castac Water District, West Kern Water District, Wheeler Ridge Maricopa Water Storage District, collectively referred to as “Member Units” and each a “Member Unit.”

WHEREAS, in November 1963, the Agency entered into a water supply contract with the State of California Department of Water Resources (the “Department” and the “Master Contract”) for annual deliveries of water to the Agency; and

WHEREAS, the Agency and each Member Unit subsequently entered into a water supply contract, (“Member Unit’s Contract”) wherein the Agency agreed to deliver portions of the annual water supply it receives from Department under the Master Contract, and in return each Member Unit agreed to annually pay the Agency a percentage of the Agency’s obligation to pay the Department for that water; and

WHEREAS, in 2000, the Agency’s Kern River Restoration Project (“Project”) received funding from the Interim Reliable Water Supply and Water Quality Infrastructure and Management Program of the Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act (Proposition 13, Chapter 9, Article 4); and

WHEREAS, in September 2000, pursuant to the California Environmental Quality Act, the Agency Board of Directors adopted a Negative Declaration for the Project; and

WHEREAS, the Agency used Project funds to develop local water supplies, water quality, conveyance and banking programs within Kern County; and

WHEREAS, in September 2000, the Agency purchased the undivided interest in the Kern River Lower River (“Lower River”) water rights, and other water rights and inventories, previously owned by Garces Water Company; and

WHEREAS, in January 2001, the Agency purchased the remaining undivided interest in the Lower River water rights and other interests from Olcese Water District and Nickel Family, LLC (“Nickel”), the consideration for which included the Agency’s annual obligation to make available 10,000 acre-feet of water to Nickel (the “Nickel Obligation”); and

WHEREAS, the Lower River water rights have historically yielded on average 50,000 acre-feet per year; and

WHEREAS, pursuant to discussions that occurred when the Agency acquired the Lower River water rights, the Agency’s Improvement District No. 4 (“ID4”) receives a portion of the Lower River water and the associated obligations, including one half of the Nickel Obligation; and

WHEREAS, on June 25, 2015, the Agency Board of Directors has offered a long-term plan for a portion of the Agency’s Lower River rights and obligations to satisfy one half of the Nickel Obligation and to provide the Member Units with Lower River water which is attached as Exhibit A (“Long-term Plan”); and

WHEREAS, the Agency Board of Directors’ allocation of Lower River benefits and obligations is attached as Exhibit B; and

WHEREAS, the Agency intends to utilize any net revenue generated pursuant to this Agreement for its water management purposes, including, but not limited to, for supplemental water supplies and/or water management programs and projects and for any unreimbursed

expenses incurred in connection with such water management functions, in its sole discretion at the direction of the Agency Board of Directors; and

WHEREAS, the Lower River right is a high flow water right on the Kern River and the Agency intends to administer the Long-term Plan in the same manner as other high flow water supplies such as Article 21 water and Central Valley Project 215 water.

NOW, THEREFORE, it is hereby mutually agreed by the parties hereto as follows:

ARTICLE 1. TERM. The term of this Agreement shall be for ten years terminating on December 31, 2035 and may be renewed for subsequent ten year terms subject to mutually agreeable terms and conditions. However, if the Lower River water right is impacted by regulation, action and/or order of the California State Water Resources Control Board or other federal, state or local government agency, by order or judgement of a court and/or by settlement agreement or stipulation to which the Agency is a party, this Agreement may be terminated by the Agency at its sole discretion.

ARTICLE 2. MEMBER UNIT YIELD 40,001 TO 125,000 ACRE-FEET. The Member Units shall receive Lower River yield between 40,001 and 125,000 acre-feet. The amount received shall be determined by the Agency after meeting the Agency's current year Nickel Obligation and targeted storage amounts needed to meet future year Nickel Obligations and shall be allocated among the Member Units according to Table A amounts. In years when yield is received, the Agency shall notify each Member Unit of its allocation and request that Member Unit's schedule for water deliveries. If a Member Unit does not schedule its full allocation of yield in any given year, the Agency shall reallocate that Member Unit's share to the remaining Member Units according to Table A amounts. ID4 shall have access to the Member Units' yield if it is not fully subscribed by the Member Units. Member Units shall respond to the Agency by the time requested in the Agency's notice of allocation or request for water delivery schedules.

If a Member Unit does not respond to the Agency by the time requested, that Member Unit's allocation may be reallocated to the remaining Member Units or ID4.

ARTICLE 3. MEMBER UNIT YIELD ABOVE 125,001 ACRE-FEET. The Member Units and ID4, shall receive Lower River yield above 125,001 acre-feet which shall be allocated among the Member Units and ID4 according to Table A amounts. In years when yield is received, the Agency shall notify each Member Unit of its allocation and request that Member Unit's schedule for water deliveries. If a Member Unit does not schedule its full allocation of yield in any given year, the Agency shall reallocate that Member Unit's share to the remaining Member Units according to Table A amounts. Member Units shall respond to the Agency by the time requested in the Agency's notice of allocation or request for water delivery schedules. If a Member Unit does not respond to the Agency by the time requested, that Member Unit's allocation may be reallocated to the remaining Member Units or ID4.

ARTICLE 4. ISABELLA RESERVOIR STORAGE. The Member Units may receive Isabella Reservoir storage within the year Lower River yield is received subject to the Agency's needs which shall be allocated among the Member Units according to Table A amounts. In years when storage is received, the Agency shall notify each Member Unit of its allocation and request that Member Unit's schedule for use. If a Member Unit does not schedule its full allocation of storage in any given year, the Agency shall reallocate that Member Unit's share to the remaining Member Units according to Table A amounts. Member Units shall respond to the Agency by the time requested in the Agency's notice of allocation or request for water delivery schedules. If a Member Unit does not respond to the Agency by the time requested, that Member Unit's allocation may be reallocated to the remaining Member Units.

ARTICLE 5. ANNUAL ADMINISTRATION CHARGE. Each Member Unit shall pay to the Agency an annual administration charge equal to \$0.80 per acre-foot of the Member Unit's

Table A amount. After five years, the Agency may review and adjust the Annual Administration Charge. Such costs shall be billed in accordance with each Member Unit's Contract.

ARTICLE 6. ANNUAL BANKED WATER REPAYMENT CHARGE. Each Member Unit shall pay to the Agency an annual banked water repayment charge for acquisition of the Agency's previously banked water necessary to maximize deliveries of Lower River yield to the Member Units and to meet the Nickel Obligation. Such charge shall equal \$0.16 per acre-foot of the Member Unit's Table A amount and shall be billed in accordance with each Member Unit's Contract.

ARTICLE 7. LOWER RIVER YIELD CHARGE. Each Member Unit shall pay to the Agency a Lower River yield charge equal to \$5 per acre-foot for each acre-foot of Lower River water delivered to that Member Unit. Such costs shall be billed upon final reconciliation of monthly water deliveries to the Member Units.

ARTICLE 8. PAYMENTS. All payments shall be due 30 days after the date of the Agency's invoice. Late payments shall be subject to interest charges at the rate of 1 percent per month on the unpaid balance from the due date until the unpaid balance is paid off.

ARTICLE 9. DEFAULT. In the event of any default by a Member Unit in the payment of any money required to be paid to the Agency under this Agreement, the Agency in its sole discretion may not allocate any Lower River yield or Isabella Reservoir storage to the Member Unit during the period when the Member Unit is delinquent in its payment to the Agency under the terms of this Agreement; provided, that during any such period of delinquency the Member Unit shall remain obligated to make all payments required under this Agreement.

ARTICLE 10. RECOGNITION OF WATER RIGHT. The Member Units recognize and acknowledge that, as a result of this Agreement, they have no claim, right or interest in the Agency's Kern River Lower River water right.

ARTICLE 11. RESTRICTION ON USE OF WATER. A Member Unit may only transfer and/or exchange the Lower River water received pursuant to this Agreement with other water interests within the Agency's service area.

ARTICLE 12. LIABILITY. In the event of a claim of liability against the Agency for any environmental violations, including but not limited to the California Environmental Quality Act, that arises solely as a result of this Agreement, the Member Units shall defend (including expert costs), indemnify and hold the Agency harmless from any such claim. In the event of any other claim of liability against the Agency that arises solely as a result of this Agreement, the Member Units shall defend, indemnify and hold the Agency and any of its Directors, officers, or employees harmless from any such claim. The obligations of the Member Units under this Article (1) will be allocated among them pro rata according to the Table A amount of each, and (2) will not apply to any claim of liability arising from or relating to ID4's receipt or use of Lower River water.

ARTICLE 13. NOTICES. All notices pursuant to Articles 2, 3 & 4 of this Agreement shall be in writing and shall be deemed given on the date sent by electronic mail if sent during normal business hours.

All other notices, invoices and payments under this Agreement shall be deemed given or made if delivered personally, enclosed in a properly addressed envelope and delivered to a United States Post Office for delivery by registered or certified mail or an overnight delivery service with charges prepaid or charged to the sender's account, addressed to the recipient at the following applicable address, unless such address is changed by notice to the other parties:

KERN COUNTY WATER AGENCY  
Attn: Water Resources Manager  
3200 Rio Mirada Drive  
Bakersfield, CA 93308

lbauer@kcwa.com  
wrma@kcwa.com

(by email)

BELRIDGE WATER STORAGE DISTRICT  
Attn: General Manager  
8501 Brimhall Road, Bldg. 200, Suite 202 (by mail)  
Bakersfield, CA 93312

jrowe@westsidewa.org (by email)  
water@westsidewa.org

BERRENDA MESA WATER DISTRICT  
Attn: General Manager  
8501 Brimhall Road, Bldg. 200, Suite 202 (by mail)  
Bakersfield, CA 93312

jrowe@westsidewa.org (by email)  
water@westsidewa.org

BUENA VISTA WATER STORAGE DISTRICT  
Attn: General Manager  
P.O. Box 756 (by mail)  
Buttonwillow, CA 93206

athompson@bvh2o.com (by email)  
administrator@bvh2o.com

CAWELO WATER DISTRICT  
Attn: General Manager  
17207 Industrial Farm Road (by mail)  
Bakersfield, CA 93308

officeadmin@cawelowd.org (by email)

HENRY MILLER WATER DISTRICT  
Attn: General Manager  
PO Box 9759 (by mail)  
Bakersfield, CA 93389-9759

dsween@jgboswell.com (by email)

KERN DELTA WATER DISTRICT  
Attn: General Manager  
501 Taft Highway (by mail)  
Bakersfield, CA 93307

Steven@kerndelta.org (by email)

LOST HILLS WATER DISTRICT

Attn: General Manager  
8501 Brimhall Road, Bldg. 200, Suite 202  
Bakersfield, CA 93312

(by mail)

[jrowe@westsidewa.org](mailto:jrowe@westsidewa.org)  
[water@westsidewa.org](mailto:water@westsidewa.org)

(by email)

ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT

Attn: General Manager  
PO Box 20820  
Bakersfield, CA 93390

(by mail)

[dbartel@rrbwsd.com](mailto:dbartel@rrbwsd.com)  
[ttaylor@rrbwsd.com](mailto:ttaylor@rrbwsd.com)

(by email)

SEMITROPIC WATER STORAGE DISTRICT

Attn: General Manager  
PO Box 8043  
Wasco, CA 93280

(by mail)

[jgianquinto@semitropic.com](mailto:jgianquinto@semitropic.com)  
[mail@semitropic.com](mailto:mail@semitropic.com)

(by email)

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

Attn: General Manager  
PO Box 326  
Tehachapi, CA 93581

(by mail)

[tccwd@tccwd.com](mailto:tccwd@tccwd.com)

(by email)

TEJON-CASTAC WATER DISTRICT

Attn: General Manager  
P.O. Box 1000  
Tejon Ranch, CA 93243

(by mail)

[amartin@tejonranch.com](mailto:amartin@tejonranch.com)

(by email)

WEST KERN WATER DISTRICT

Attn: General Manager  
PO Box 1105  
Taft, CA 93268

(by mail)

[ghammett@wkwd.org](mailto:ghammett@wkwd.org)

(by email)

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT

Attn: Engineer-Manager  
12109 Highway 166  
Bakersfield, CA 93313-9630

(by mail)

snicholas@wrnwds.com  
publicrelations@wrnwds.com

(by email)

ARTICLE 14. TIME OF ESSENCE. Time is of the essence in this Agreement.

ARTICLE 15. AMENDMENTS. This Agreement may be amended or modified only by a subsequent written agreement approved and executed by all of the Member Units and the Agency.

ARTICLE 16. ASSIGNMENT. This Agreement shall not be assigned by any Member Unit without prior written consent of the Agency.

ARTICLE 17. OPINIONS AND DETERMINATIONS. Where the terms of this Agreement provide for action to be based on discretion, opinion, judgment, approval, review or determination of any party, such terms are not intended to be and shall never be construed as permitting such discretion, opinion, judgment, approval, review or determination to be arbitrary, capricious or unreasonable.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first above written.

KERN COUNTY WATER AGENCY

By: \_\_\_\_\_  
Water Resources Manager

BELRIDGE WATER STORAGE DISTRICT

By: \_\_\_\_\_  
General Manager

BERRENDA MESA WATER DISTRICT

By: \_\_\_\_\_  
General Manager

BUENA VISTA WATER STORAGE DISTRICT

By: \_\_\_\_\_  
General Manager

CAWELO WATER DISTRICT

By: \_\_\_\_\_  
General Manager

HENRY MILLER WATER DISTRICT

By: \_\_\_\_\_  
General Manager

KERN DELTA WATER DISTRICT

By: \_\_\_\_\_  
General Manager

LOST HILLS WATER DISTRICT

By: \_\_\_\_\_  
General Manager

ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT

By: \_\_\_\_\_  
General Manager

SEMITROPIC WATER STORAGE DISTRICT

By: \_\_\_\_\_  
General Manager

TEHACHAPI-CUMMINGS COUNTY WATER DISTRICT

By: \_\_\_\_\_  
General Manager

TEJON-CASTAC WATER DISTRICT

By: \_\_\_\_\_  
General Manager

WEST KERN WATER DISTRICT

By: \_\_\_\_\_  
General Manager

WHEELER RIDGE-MARICOPA WATER STORAGE DISTRICT

By: \_\_\_\_\_  
General Manager