



SEMITROPIC-ROSAMOND WATER BANK AUTHORITY

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RATE STRUCTURE FOR CUSTOMERS

Adopted By the SRWBA Board

January 20, 2010

Total SRWB Program Capacities:

<u>ITEM</u>	<u>FIRM CAPACITY</u>		<u>FIRM TOTAL</u>	<u>ADDITIONAL WHEN AVAILABLE⁽¹⁾</u>
	<u>In Semitropic</u>	<u>In Antelope Valley</u>		
Recovery	100,000 AF/Yr	100,000 AF/Yr	200,000 AF/Yr	287,000 AF/Yr
Storage	300,000 AF	500,000 AF	800,000 AF	350,000 AF
Recharge	33,000 AF/Yr	100,000 AF/Yr	133,000 AF/Yr	430,000 AF/Yr

⁽¹⁾ Additional capacity in the Semitropic Water Bank may be used when not used by Members or other Customers includes:

a) Recharge:

- 400,000 AF/Yr in Semitropic when not used by Semitropic for other purposes.
- Semitropic's capacity in the Kern Water Bank (KWB) of 30,000 AF/Yr,
- Other capacity in the KWB not used by participants other than Semitropic.

b) Recovery:

- 14,000 AF/Yr of Semitropic's capacity in the KWB.
- 133,000 AF of SWP entitlement in Semitropic.
- 50,000 AF/Yr of SWRU Pumpback and 90,000 AF/Yr of Original Project Pumpback.
- KWB Pumpback not used by KWB participants.

Definition of One Unit/Share of firm service:

ITEM	FIRM SERVICE	
	<u>SWRU</u>	<u>AVWB</u>
Recovery	1 AF/Yr	1 AF/Yr
Storage	3 AF	5 AF
Recharge	0.33 AF/Yr	1 AF/Yr

Customers must state in contracts how much firm recovery capacity they want in the SWRU or AVWB. All SRWBA Customers that have a firm capacity will also have a Second Priority right in both SWRU and AVWB.

Losses

Losses or water left behind for the benefit of the groundwater basin are 10% in the SWSD facilities and 10% plus evaporation losses in the AVWB.

TOTAL SHARES AVAILABLE = 184,000 as of January 20, 2010

Rate Structure

The Rate Structure can be changed by a super majority vote of the SRWBA Board. Initially the Members agree that the standard rate structure will be no less than:

I Capital Payments (Adjusted downward 1.2% per ENR December 2009)

- Cost per unit/share: - Negotiable (For 1 – 6,999)
- \$2,078 per share (For 7,000 to 19,999 shares)
- \$1,870 per share (For 20,000 to 49,999 shares)
- \$1,662 per share (For 50,000 to 200,000 shares)

Capital costs are due up front and may be financed by Customers or, if there are a number of smaller groups of Customers, by SRWBA on behalf of Customers, with Customers paying all cost of financing and securing same, in which case, assume tax exempt financing to 2035.

Because of uncertainties in water quality requirements for commingling raw water prior to treatment for human consumption, the SRWBA assumes responsibility for water quality for recovering of Stored Water up to the requirements described in the “Aqueduct Pump In Proposal” dated July 16, 2007 which considered a blend of water made up of direct pump in, exchanged water and SWP entitlement. In this proposal of direct pump in, prior to blending, arsenic averaged 12 ppb, slightly above current public health standards. If standards change or become more restrictive for co-mingling raw water,

customers will be asked to assist SRWBA in establishing reliable long term standards and be required to pay for any additional costs to meet those standards.

A Customer may initially opt for a smaller number of shares and make annual option payments for a given number of additional shares for the option period.

Federal and/or State grant funds, etc. will be applied as a credit or reduction in capital costs on a per unit basis for all Customers.

II Annual Payments (Adjusted 1.4% per CPI as of November 2009)

Management Fee	- \$12.80 Per Share Per Year
Maintenance Fee	- \$11.70 Per Share Per Year

The maintenance fee will initially be charged at this rate for all Customers and then be adjusted to actual costs when long-term actual costs are determined based on an agreed upon maintenance plan and ultimately be limited to a reasonable reserve for maintenance and replacement of facilities. An agreement entitled "Project Facilities Maintenance Guidelines" that sets forth the guidelines for mutually acceptable maintenance procedures of Project facilities will be attached to each Customer's participation agreement.

III Usage Fee (Includes mitigation of impacts on existing adjacent pumpers)

Recharge	- \$77.68 Per AF when water is received for storage to either facility.
Recovery	- \$77.68 Per AF plus actual energy when water is recovered from Storage and conveyed to California Aqueduct from either facility.

All costs and fees are based on 2009 dollars and are escalated on the same basis as existing SWSD banking program agreement escalators.

Notes: ⁽¹⁾ All Antelope Valley water agencies receive a 10% discount on "Capital" as long as a binding agreement has been executed before December 31, 2010. After January 1, 2011 all Antelope Valley water agencies will receive a 5% net discount on "Capital". SRWBA Members have use of facilities in the same manner as in existing banking agreements.

⁽²⁾ Original Semitropic Water Bank, a one million acre-foot groundwater bank established in 1994 which is sold out. It is not part of the SRWBA but its facilities may be used on a when available basis. SWRU, the Stored Water Recovery Unit, is 650,000 AF of storage in Semitropic with established recharge of recovery facilities. AVWB, the 500,000 AF groundwater bank established in the western Antelope Valley.

SHARES LESS THAN 7,000

Approved By JPA Board
January 20, 2010

1 – 500 Shares	\$ 4,595/Share
1,000 Shares	\$ 3,357/Share
2,000 Shares	\$ 3,154/Share
3,000 Shares	\$ 2,949/Share
4,000 Shares	\$ 2,745/Share
5,000 Shares	\$ 2,540/Shares
6,000 Shares	\$ 2,336/Share
7,000 Shares	\$ 2,132/Shares (Per Rate Sheet)

(All adjusted 1.4% per CPI as of November 2009)