

INTERAGENCY AGREEMENT

This Interagency Agreement (“**Agreement**”), is entered into between the Orange County Water District (“**OCWD**”) and the Moulton Niguel Water District (“**MNWD**”), collectively herein referred to as the **PARTIES**.

I. PURPOSE

The purpose of this Agreement is to work collaboratively to evaluate the potential joint benefits of developing a storage/exchange program between the **PARTIES** by:

- a. Exploring existing and potential new conveyance methods for delivery of stored water in the OCWD groundwater basin to MNWD, and;
- b. Evaluating potential revenue and economic benefits to OCWD to offset projected future Replenishment Assessment increases without creating a negative operational impact.

The goal of this Agreement is to develop a short-term pilot program that would be considered by the **PARTIES** which would provide a foundational understanding to help determine the feasibility of developing a long-term MNWD storage/exchange program in the OCWD groundwater basin.

II. GUIDING PRINCIPLES

The following guiding principles will be adhered to by the **PARTIES** in completing any work to develop a pilot program:

- a. Comply with the OCWD Act, and;
- b. OCWD will receive a net benefit from any storage or exchange program, and;
- c. OCWD’s ability to store water and operate the groundwater basin will not be harmed, and;
- d. MNWD understands that direct conveyance of stored water from the groundwater basin does not exist at this time, but will evaluate options for conveyance as part of this work, and;
- e. OCWD and its members will not subsidize any work that will solely benefit MNWD as part of the analysis or implementation of any program.

III. SCOPE OF WORK

The scope of work to be performed as a part of the Agreement shall include:

- a. Evaluate potential pumping and conveyance options to deliver water from the OCWD groundwater basin and/or proposed Huntington Beach Poseidon Resources Ocean Desalination Plant to MNWD utilizing existing or new facilities.
- b. Review and analyze various groundwater banking and exchange programs throughout the state that may serve as models for development of a pilot program between the PARTIES.
- c. The PARTIES will collectively develop two Request for Proposals for the work described in paragraphs III.a and III.b above. The PARTIES will review the proposals and develop a joint recommendation for consideration of award of professional service contracts.
- d. MNWD agrees to provide funding to perform the scope of work identified as a part of the Agreement.

IV. DELIVERABLES & SCHEDULE

- a. The deliverables anticipated as a part of the Agreement includes two separate reports for each scope item:
 - i. Infrastructure review of pumping and conveyance alternatives
 - ii. Groundwater banking and exchange program review
- b. The timeline for completion of the scope of work is estimated at 6 months from execution of the Agreement.

V. OVERVIEW

- a. The existing ad-hoc committee created by the PARTIES will work collaboratively to carry out the scope of this Agreement.
- b. The ad-hoc committee will meet to review progress and any draft work product that may be available.
- c. The PARTIES will meet and work with other interested stakeholders to share information and seek input on this issue.

VI. OTHER

- a. The PARTIES understand the scope of work identified in this Agreement is the extent of the agreed upon analysis and acknowledge that any future pilot storage program will require mutual consent of the PARTIES.
- b. This agreement may be terminated by either PARTY with thirty (30) days written notice. Upon termination, the PARTIES will be responsible for any outstanding financial commitments for any contracts entered into at the time of termination.

IN WITNESS WHEREOF, the PARTIES hereby execute this Interagency Agreement.

ORANGE COUNTY WATER DISTRICT

MOULTON NIGUEL WATER DISTRICT

By: _____ Date: _____
Vincente Sarmiento, President
for Orange County Water District

By: _____ Date: _____
Donald R. Froelich, President
for Moulton Niguel Water District