



Board of Directors ***One Water and Adaptation Committee***

3/11/2025 Board Meeting

7-4

Subject

Authorize the General Manager to enter into agreements with the City of San Buenaventura and Calleguas Municipal Water District for wheeling and emergency delivery of State Water Project water; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Executive Summary

Staff recommends the Board of Directors (Board) authorize the General Manager to enter into agreements requested by Calleguas Municipal Water District (Calleguas) and the City of San Buenaventura (Ventura) that will facilitate deliveries between the two agencies via a new interconnection pipeline. The proposed agreements include an agreement for the proposed wheeling of Ventura's State Water Project (SWP) water through Metropolitan's system for Ventura, and an agreement to consent to the delivery of SWP supply under emergency circumstances. Calleguas is a Metropolitan member agency that is included in the SWP-dependent area and receives imported water from Metropolitan via three service connections off a single pipeline. The Calleguas service territory borders Ventura, which has a SWP allocation through its contractual relationship with the Ventura County Watershed Protection District. Ventura has no physical connection to SWP facilities and has never delivered SWP water to its service area. Currently, Ventura and Calleguas are building a bidirectional interconnection pipeline, the C-V Interconnection Pipeline (CVIP), to connect their water distribution systems. The bidirectional pipeline will provide the infrastructure necessary to allow Ventura's SWP allocation to be delivered through the wheeling agreement.

The purpose of the agreements described in this board letter is for Metropolitan to wheel up to 2,000 acre-feet (AF) per year of Ventura's SWP water to Calleguas, when it determines capacity is available to do so, and that water then will be transported by Calleguas to the CVIP for delivery to Ventura, and during times of emergencies, allow the exchange of water supplies between Ventura and Calleguas that may involve delivery of SWP water into each other's service areas. Staff has developed draft agreements with Ventura and Calleguas to accomplish the objectives described above (**Attachment 1 and Attachment 2**) and presented an informational item to the Board in February 2025.

Proposed Action(s)/Recommendation(s) and Options

Staff Recommendation: Option #1

Option #1

Authorize the General Manager to enter into agreements with the City of San Buenaventura and Calleguas Municipal Water District for wheeling and emergency delivery of State Water Project water; the General Manager has determined that the proposed action is exempt or otherwise not subject to CEQA

Fiscal Impact: Metropolitan will receive financial compensation to cover its costs as provided for in the wheeling agreement. There is no fiscal impact nor obligation to Metropolitan in allowing Calleguas and Ventura to provide water to each other during emergencies.

Business Analysis: The agreements help improve resilience in Ventura County while protecting Metropolitan’s interests as the wheeling will only occur if Metropolitan staff identify available capacity and financial compensation is provided.

Option #2

Direct the General Manager not to enter into agreements under the proposed terms.

Fiscal Impact: None

Business Analysis: Not authorizing the wheeling agreement would require Metropolitan to negotiate each transaction with Ventura when its SWP water is available for wheeling and when Metropolitan has capacity to do so. Not authorizing the agreement to consent to SWP water in each service area during emergencies would not allow emergency delivery of water between Calleguas and Ventura. This will effectively halt the bidirectional interconnection pipeline between Calleguas and Ventura and potentially negatively impact water supply reliability in Ventura County.

Alternatives Considered

None

Applicable Policy

Metropolitan Water District Administrative Code Section 11104: Delegation of Responsibilities

Related Board Action(s)/Future Action(s)

None

Summary of Outreach Completed

Staff presented on the proposed agreements to the One Water and Stewardship Committee in February 2025.

California Environmental Quality Act (CEQA)

CEQA determination for Option #1:

The proposed action is exempt under the provisions of CEQA and the State CEQA Guidelines. The proposed action involves entering into agreements with the City of San Buenaventura and Calleguas Municipal Water District for wheeling and emergency delivery of SWP water associated with the operation of existing public water conveyance facilities with negligible or no expansion of use and no possibility of significantly impacting the physical environment. (State CEQA Guidelines Section 15301.)

CEQA determination for Option #2:

None required

Details and Background

Background

Calleguas is a Metropolitan member agency located in Ventura County. In general, Metropolitan takes delivery of SWP water at Castaic Lake via Metropolitan’s Foothill Feeder, treats this water at the Joseph Jensen Water Treatment Plant, and delivers the treated water to Calleguas via one of three service connections located off Metropolitan’s West Valley Feeder No. 1 and 2 (Figure 1 – blue arrows). During drought periods, Metropolitan can also deliver treated Colorado River water via Metropolitan’s Greg Avenue Pump Station to Calleguas. Calleguas provides this treated water to several cities and water agencies in Ventura County, as well as the Naval Base Ventura County. Calleguas aims to improve water supply resilience by proposing interconnections with other agencies, such as Ventura and Las Virgenes Municipal Water District, another Metropolitan member agency.

Ventura is also located in Ventura County but is not a Metropolitan member agency. Since 1971, Ventura has shared the cost of the Ventura County Watershed Protection District State Water Project contract with Casitas Municipal Water District (Casitas) and United Water Conservation District (United). Ventura’s SWP Table A

share is 10,000 AF, but Ventura has no physical connection to SWP facilities and has never taken delivery of SWP supplies. Ventura has expressed interest in starting to take delivery of up to 2,000 AF per year of its SWP supplies.

Calleguas and Ventura are project partners on the CVIP, which includes an approximate seven-mile-long bidirectional pipeline that interconnects the two agencies from a water supply standpoint. Once operational, the CVIP would allow water to flow between the two agencies during an emergency, and would also allow Ventura to receive SWP supplies, provided that Metropolitan wheels Ventura's SWP water to Calleguas. The CVIP is schematically shown in Figure 1 and is expected to be online in autumn 2026/spring 2027. Both proposed uses of the pipeline are covered under the set of draft agreements (**Attachment 1 and Attachment 2**) described later in this board letter.

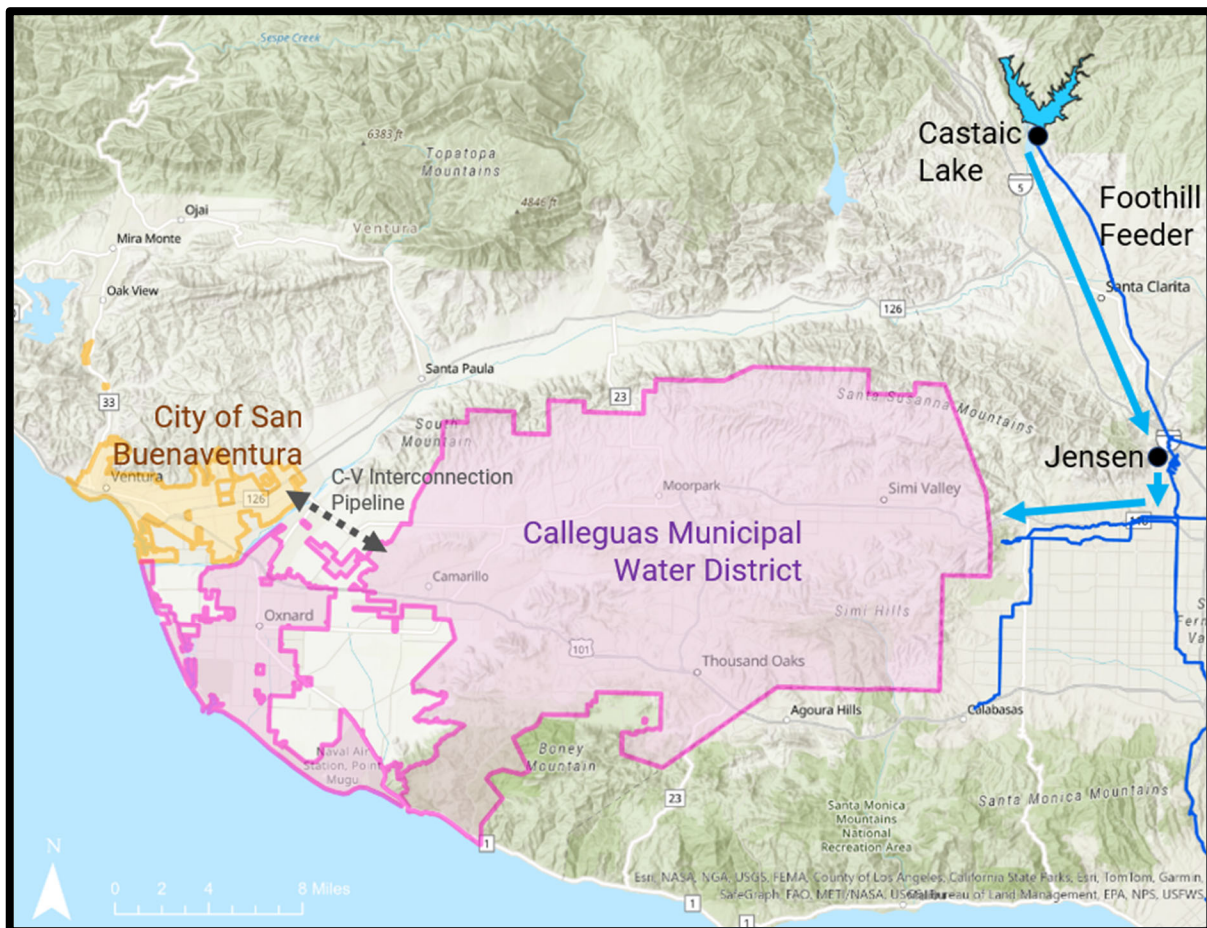


Figure 1– Location Map.

Blue arrows on the right of the figure indicate the water path from Castaic Lake to Calleguas. The CVIP (labeled) between Ventura and the City of Camarillo (Calleguas' service area) is a bidirectional pipeline not drawn to scale.

Proposed Agreements

Two separate agreements are needed to support the proposed uses of the CVIP: (1) an agreement to wheel SWP water; and (2) an agreement to consent to delivery of MWD and Ventura's SWP supply to each other's service area during an emergency.

1) Agreement to wheel Ventura's SWP water

Ventura proposes to receive up to 2,000 AF per year of their SWP supplies using the interconnection with Calleguas. For that to happen, Metropolitan would wheel Ventura's SWP supplies from Castaic Lake and deliver

them to Calleguas. Currently, Metropolitan only delivers treated water to Calleguas, so the wheeled water would also be a treated water supply. Calleguas would then wheel this water to the CVIP under a separate agreement between Calleguas and Ventura. The draft wheeling agreement between Metropolitan, Calleguas and Ventura (**Attachment 1**) specifies terms and conditions for the wheeling, as well as financial compensation for Metropolitan.

The key terms of this agreement are summarized below:

- System losses will be applied for the wheeled water
 - System losses would be reviewed every five years
 - Metropolitan system losses are currently 3%
 - Calleguas system losses are currently 0.5%
- Metropolitan staff will determine if sufficient capacity is available prior to wheeling
- Metropolitan will deliver treated wheeled water to Calleguas via its current water service connections off West Valley Feeder No. 2
- Financial compensation for Metropolitan
 - Wheeling price is a fixed dollar amount, initially based on the currently published transportation-related rate elements, the System Access Rate and the System Power Rate, and the published Treatment Surcharge
 - In calendar year 2025 the price is $\$622 + \$483 = \$1,105$ per acre-foot
 - In calendar year 2026 the price is $\$671 + \$544 = \$1,215$ per acre-foot
 - For years beyond 2026, the price will be based on an annual increase from the previous year's wheeling price plus a percentage increase equal to the Consumer Price Index for All Urban Consumers (CPI-U) series "Water and sewerage maintenance in U.S. city average, all urban consumers, not seasonally adjusted."
 - In calendar year 2027, the price per acre-foot would be $\$1,215 + (\$1,215 * \text{CPI-U}\%)$
 - In calendar year 2028, the price per acre-foot is the 2027 wheeling price + (2027 wheeling price * CPI-U%)
 - In calendar year 2029, the price per acre-foot is the 2028 wheeling price + (2028 wheeling price * CPI-U%)

The CPI-U for water and sewerage maintenance has increased at rates that outpace general measures of inflation over a longer-term perspective (i.e., CPI-U all items) reflecting the acute cost pressures affecting water/wastewater utilities nationally.

Once this wheeling agreement is signed, Metropolitan staff will work with Ventura to enter into an agreement with the California Department of Water Resources (DWR). In this agreement with DWR, Castaic Lake will be specified as the point of delivery of Ventura's SWP supplies to Metropolitan for wheeling and will indicate that all SWP charges, including variable power rates, will be paid by Ventura.

2) Agreement to consent to delivery of Metropolitan and Ventura's SWP supply to each other's service area during an emergency

Calleguas proposes to receive water supplies from Ventura using the CVIP during emergency circumstances that prevent Metropolitan from delivering water to Calleguas. This would address Calleguas' vulnerability of having a single pipeline delivering treated imported water from Metropolitan. Similarly, Ventura would also be able to receive water supplies from Calleguas during emergency situations. However, Section 15(a) of the State Water Contract prohibits a contractor from providing SWP supplies to another contractor's service area without that contractor's consent. The draft agreement (**Attachment 2**) would provide such consent.

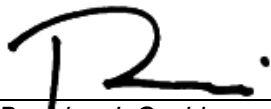
The key terms of this agreement are summarized below:

- Definition of emergencies
 - Planned and unplanned water service interruptions
 - Emergencies do not include drought conditions

- Narrow scope
 - Either Calleguas or Ventura can borrow supplies during an emergency
 - The borrowed water during emergencies will be returned in a 1:1 ratio
 - Limited to consent for SWP water to be delivered in each other’s service area
 - No financial compensation for Metropolitan for the consent
 - Does not obligate Metropolitan to deliver SWP supplies to Calleguas either for emergency deliveries to Ventura or for return of water by Calleguas to Ventura

Summary

The authorization of the General Manager to enter into agreements with Calleguas and Ventura will allow Ventura to receive a portion of its SWP water via wheeling by Metropolitan, and will allow Ventura and Calleguas to provide water deliveries during emergencies. These actions will improve overall water resilience in Ventura County, as well as support Metropolitan’s member agency (Calleguas) by increasing the resilience of their water infrastructure.



Brandon J. Goshi 2/25/2025
 Interim Manager, *Date*
 Water Resource Management



Deven N. Upadhyay 2/25/2025
 General Manager *Date*

Attachment 1 - DRAFT Agreement for Wheeling of Water Between the Metropolitan Water District of Southern California, Calleguas Municipal Water District, and the City of San Buenaventura

Attachment 2 – DRAFT Agreement for Permission to Deliver State Water Project Water into The Service Area of State Water Project Contractors Metropolitan Water District of Southern California and City of San Buenaventura (Through Ventura County Watershed Protection District) Under Emergency Circumstances

**AGREEMENT FOR PERMISSION TO DELIVER STATE WATER PROJECT WATER
INTO THE SERVICE AREAS OF STATE WATER PROJECT CONTRACTORS
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA AND CITY OF
SAN BUENAVENTURA (THROUGH VENTURA COUNTY WATERSHED
PROTECTION DISTRICT) UNDER EMERGENCY CIRCUMSTANCES**

This Agreement is entered into this ____ day of _____, 20____ by The Metropolitan Water District of Southern California (Metropolitan), Calleguas Municipal Water District (Calleguas), and the City of San Buenaventura (Ventura), referred to individually as a “Party” or collectively as the “Parties.”

RECITALS

A. Metropolitan is a public agency of the State of California incorporated under the Metropolitan Water District Act, Stats. 1969, ch. 209, as amended, codified at Section 109.1 *et seq.* of Appendix Section 109 to the California Water Code. It is a voluntary cooperative made up of its member agencies. Currently, Metropolitan imports water from the State Water Project (SWP) and the Colorado River and distributes water to its member agencies located in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura. Metropolitan is a State Water Contractor with participating rights in the SWP.

B. Calleguas is a public agency organized under the Municipal Water District Act of 1911. Calleguas is a member agency of Metropolitan.

C. Ventura is a California Charter Law Municipal Corporation and is not a member agency of Metropolitan. Ventura shares the cost of the Ventura County Watershed Protection District SWP Contract with Casitas Municipal Water District and United Water Conservation District (United) and Ventura has the right to receive delivery of SWP water.

D. On May 1, 2023, an Agreement between Calleguas, Ventura, and United (Interconnection Agreement) was executed for construction and operation of the Calleguas-Ventura (C-V) Interconnection Pipeline to convey water between the Calleguas and Ventura distribution systems.

E. Ventura and Metropolitan intend to enter into an agreement for Metropolitan to wheel Ventura’s SWP water from Metropolitan’s SWP turnouts at Castaic Lake through Metropolitan’s facilities to Calleguas (the “Wheeling Agreement”). Calleguas will then wheel Ventura’s SWP water to Ventura through its own system and the new C-V Interconnection

Pipeline and into Ventura's distribution system pursuant to the Interconnection Agreement.

F. In addition to the delivery of Ventura's SWP water on a regular basis, Calleguas and Ventura intend for the C-V Interconnection Pipeline to serve as a bidirectional emergency conveyance pipeline to provide water to each other during an emergency and to "pay back" that water after the emergency.

G. Metropolitan and Ventura (through the Ventura County Watershed Protection District) are SWP contractors and subject to the contractual restrictions therein. SWP contractors may not deliver water into another contractor's service area without that contractor's written consent.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are acknowledged, the Parties agree as follows:

AGREEMENT

1. Purpose. This Agreement provides consent by each of Metropolitan and Ventura for SWP water to be delivered into each other's service area under the conditions stated in Sections 4, 5, 6 and 7.

2. Consent. Section 15(a) of the State Water Contract prohibits a contractor from providing SWP supplies to another contractor's service area without that contractor's consent. Accordingly, Metropolitan and Ventura hereby agree that during times of emergency caused by operational interruptions, as stated in Sections 4, 5, 6, and 7, Ventura may provide its water (which may include SWP water) to Metropolitan Member Agency Calleguas and Calleguas may provide Metropolitan water (which may include SWP water) to Ventura for the term of this Agreement. Emergencies pursuant to this Agreement include planned and unplanned water service interruptions and do not include drought conditions.

3. Notice of Emergency Delivery. Calleguas shall notify Metropolitan of emergency deliveries within 24 hours of the emergency, and provide the following information, including: start date for deliveries, the requesting party (Calleguas or Ventura), estimated duration and quantity of deliveries, the source of deliveries (e.g., local or SWP supply), and the reason for the emergency. Notification to parties shall be according to Section 11.

4. Permitted Delivery of Ventura SWP Water to Calleguas During Emergencies.

The consent provided herein is limited to an emergency circumstance that involves a planned or unplanned operational interruption that results in Metropolitan not being able to

deliver water to Calleguas. In that circumstance, Ventura may make emergency water deliveries to Calleguas that may include Ventura's SWP water delivered via the C-V Interconnection Pipeline.

5. Permitted Delivery of Metropolitan SWP Water to Ventura After Emergencies. In exchange for emergency water deliveries from Ventura, Calleguas intends to return an equal amount of water to Ventura using water that may include Metropolitan's SWP water. Ventura consents to delivery of Metropolitan's SWP water in Ventura's service area, limited to the return of water Calleguas owes Ventura for emergency water deliveries. Any return by Calleguas of emergency water deliveries shall not be subject to the Parties' Wheeling Agreement, as the water returned by Calleguas is not being wheeled on behalf of Ventura; it is water that Metropolitan delivered to Calleguas.

6. Permitted Delivery of Metropolitan SWP Water to Ventura During Emergencies. The consent provided herein is limited to an emergency circumstance that involves a planned or unplanned operational interruption in the service area of Ventura, during a time when Ventura's SWP water is unavailable for Metropolitan to wheel that water to Ventura. In that circumstance, Calleguas may make emergency water deliveries to Ventura that may contain Metropolitan's SWP water delivered via the C-V Interconnection Pipeline. Ventura consents to delivery of Metropolitan's SWP water within Ventura's service area during an emergency. Delivery by Calleguas of emergency water deliveries shall not be subject to the Parties' Wheeling Agreement, as the water delivered by Calleguas is not being wheeled on behalf of Ventura; it is water that Metropolitan delivered to Calleguas.

7. Permitted Delivery of Ventura SWP Water to Calleguas After Emergencies. In exchange for emergency water deliveries from Calleguas, Ventura intends to return an equal amount of water to Calleguas using water from its service area that may contain SWP water or from Ventura's SWP supply wheeled by Metropolitan to Calleguas under the Wheeling Agreement. Metropolitan consents to the delivery of Ventura's SWP water in Calleguas' service area, limited to the return of the water Ventura owes Calleguas for emergency water deliveries. If return is made using Ventura's SWP water wheeled by Metropolitan to Calleguas for Ventura, it will be subject to the Wheeling Agreement and the charges set forth therein, except that Calleguas need not wheel the water to Ventura as otherwise contemplated by the Wheeling Agreement.

8. Scope of Metropolitan's Obligations. This Agreement is limited to Metropolitan's and Ventura's consent for SWP water to be made available in its service area as described

herein. It does not obligate Metropolitan to make water available to Calleguas for emergency deliveries to Ventura or for return of water by Calleguas to Ventura.

9. Commencement. This Agreement is effective on the date that the last party has executed the Agreement.

10. Termination. This Agreement terminates on December 31, 2055 or upon the termination of the current State Water Contracts with the California Department of Water Resources, whichever comes first.

11. Notification. Unless and until changed by notification given in accordance with this Section, any notice, demand, or request to be given under or pursuant to this Agreement shall be given in writing at the physical addresses set forth below by personal service; overnight courier; or registered or certified, first-class mail, return receipt requested, or via electronic mail at the email address set forth below:

If to Metropolitan:

The Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054-0153
Attention: General Manager

If to Calleguas:

Calleguas Municipal Water District
2100 Olsen Road
Thousand Oaks, CA 91360-6800
Attention: General Manager

If to City of Ventura:

City of Ventura
501 Poli Street
City Hall
Ventura, CA 93002-0099
Attention: City Manager

[signatures on following page]

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

Deven N. Upadhyay
Interim General Manager

Dated

APPROVED AS TO FORM:

Marcia L. Scully
General Counsel

Dated

CALLEGUAS MUNICIPAL WATER DISTRICT

Kristine McCaffrey
General Manager

Dated

APPROVED AS TO FORM:

Walter E. Wendelstein
District Counsel

Dated

CITY OF SAN BUENAVENTURA

Bill Ayub
City Manager

Dated

APPROVED AS TO FORM:
Javan N. Rad, City Attorney

By: _____
Miles Hogan
Senior Assistant City Attorney

Dated

**AGREEMENT FOR WHEELING OF WATER BETWEEN
THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA,
CALLEGUAS MUNICIPAL WATER DISTRICT, AND
THE CITY OF SAN BUENAVENTURA**

This Agreement for Wheeling of Water (Agreement) is entered into by The Metropolitan Water District of Southern California (Metropolitan), Calleguas Municipal Water District (Calleguas), and the City of San Buenaventura (Ventura), referred to individually as a “Party” or collectively as the “Parties.”

RECITALS

A. Metropolitan is a public agency of the State of California incorporated under the Metropolitan Water District Act, Stats. 1969, ch. 209, as amended, codified at Section 109.1 *et seq.* of Appendix Section 109 to the California Water Code. It is a voluntary cooperative made up of its member agencies. Currently, Metropolitan imports water from the State Water Project (SWP) and the Colorado River and distributes water to its member agencies located in the counties of Los Angeles, Orange, Riverside, San Bernardino, San Diego, and Ventura.

B. Metropolitan’s system is an interconnected statewide and regional system integrating the SWP, the Colorado River Aqueduct, and the distribution system within its service area. Accordingly, Metropolitan determines and attributes all costs to the system as a whole, including its capital, operation, maintenance, and replacements.

C. Calleguas is a public agency organized under the Municipal Water District Act of 1911. Calleguas is a member agency of Metropolitan.

D. Ventura is a California Charter Law Municipal Corporation and is not a member agency of Metropolitan. Ventura shares the cost of the Ventura County Watershed Protection District SWP Contract with Casitas Municipal Water District and United Water Conservation District (United) and Ventura has the right to receive delivery of SWP water. Ventura wishes to convey that water through a new interconnection pipeline that would transport SWP water from Calleguas’s distribution system to Ventura’s distribution system (the C-V Interconnection Pipeline). Prior to this Agreement, Ventura transferred its share of SWP water to other SWP contractors along and at the end of the California Aqueduct and now intends to take a portion of its SWP water for its own use.

E. Ventura desires to have Metropolitan wheel its SWP water from Metropolitan's SWP turnouts at Castaic Lake through Metropolitan's facilities, provided Metropolitan has capacity as described in this Agreement, to Calleguas. Calleguas will then wheel Ventura's SWP water to Ventura through its own system and the new C-V Interconnection Pipeline and into Ventura's distribution system pursuant to a separate agreement between Calleguas and Ventura (hereinafter the "Calleguas Ventura Agreement").

F. On May 1, 2023, an Agreement between Calleguas, Ventura, and United was executed for construction and operation of the C-V Interconnection Pipeline to convey water between the Calleguas and Ventura distribution systems.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the representations, warranties, covenants, and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge is fair compensation, the Parties hereby agree to the following terms and conditions of this Agreement.

1. Agreement to Wheel Ventura's SWP Supplies. Pursuant to this Agreement, Metropolitan agrees to wheel SWP supplies to which Ventura has rights to receive (SWP Supplies), provided Metropolitan has capacity, and Ventura agrees to pay Metropolitan for wheeling Ventura's SWP Supplies. Metropolitan will receive Ventura's SWP Supplies at Metropolitan's SWP turnouts at Castaic Lake and deliver the water, under the terms of this Agreement, to Ventura at the Metropolitan-Calleguas connections.

2. Quantity. Ventura anticipates a need to wheel up to two thousand acre-feet per year of its SWP Supplies through Metropolitan's system to Calleguas for transmission by Calleguas to the C-V Interconnection Pipeline. The amount of water actually wheeled will depend upon availability of Ventura's SWP Supplies and Metropolitan's determination of available capacity to wheel that amount of water at the requested times.

3. Delivery from Ventura to Metropolitan. Ventura may make its SWP Supplies available to Metropolitan at Metropolitan's turnouts at Castaic Lake for wheeling to Calleguas, provided that Metropolitan determines, in its sole discretion, that Metropolitan has available system capacity to wheel Ventura's SWP Supplies to Calleguas, as scheduled pursuant to Section

6.

4. Wheeling from Metropolitan to Calleguas. Metropolitan will wheel Ventura's SWP Supplies that it receives and accepts from Ventura and deliver that amount, less 3% to account for Metropolitan's system losses, to Calleguas at Metropolitan's Service Connections CA-01, CA-02, or CA-03, as scheduled by mutual agreement between Metropolitan, Calleguas, and Ventura pursuant to Section 6. System losses shall be subject to review and modification every 5 years. Metropolitan does not agree to store Ventura's SWP Supplies or to delay or accelerate deliveries on a schedule different than its receipt of Ventura's SWP Supplies; a separate agreement would be required if Ventura requires any storage or flexibility in scheduling deliveries of wheeled water that do not correspond to the time it makes its SWP Supplies available to Metropolitan. The water wheeled for Ventura will necessarily pass through Metropolitan's Joseph Jensen Water Treatment Plant and will therefore be treated at the Plant. The price Ventura pays in Section 12(a) includes Metropolitan's cost to treat the water.

5. Delivery from Calleguas to Ventura. Calleguas will deliver the Ventura SWP Supplies it receives from Metropolitan to Ventura at the connection to the new C-V Interconnection Pipeline, less 0.5% to account for Calleguas system losses, pursuant to a separate agreement. System losses shall be subject to review and modification every 5 years. Ventura will install a meter at the Ventura connection to the C-V Interconnection Pipeline that meets Metropolitan's specifications, which Calleguas will own, operate, and maintain, to measure deliveries from Calleguas to Ventura. Calleguas shall submit a meter report as shown in Exhibit A on or about the last day of each calendar month for billing purposes. The meter shall measure flow within an accuracy of two (2) percent and shall be available for testing by Metropolitan upon reasonable notice. Metropolitan will be allowed to receive near real-time and historical flow data, at its sole discretion, from Calleguas's purveyor website, with the cost of the necessary equipment and installation, and flow signal telemetry paid for in advance by Ventura. Calleguas shall be responsible for maintenance of the meter and communications system and shall provide calibration records to Metropolitan annually.

6. Scheduling of Deliveries. The Parties will cooperate to arrange for scheduling wheeling of the water. Ventura will provide an estimate and draft schedule of its SWP Supplies to be delivered to Metropolitan and Calleguas in the upcoming calendar year, by December 7 of each year. Ventura may also request, in writing, wheeling of its SWP Supplies throughout the

year, as supplies become available to Ventura. The annual estimate or the individual requests throughout the year will specify the desired flow rate, start date and time, and anticipated duration of the delivery. Within fourteen (14) days, Metropolitan and Calleguas will either propose an alternate schedule to Ventura, accept the schedule, or determine that they have no available capacity for the requested wheeling under this Agreement and under the Calleguas and Ventura agreement. The Parties agree that Metropolitan retains the right to modify any scheduled wheeling transaction due to its operational and maintenance needs with no liability to Metropolitan.

7. Metropolitan's Determination of Available Capacity. Under current conditions, the amount of water to be wheeled under this agreement is not significant compared to Metropolitan's system capacity and therefore, Metropolitan anticipates it will be able to accommodate Ventura's wheeling requests under this Agreement. However, Metropolitan does not guarantee the availability of capacity at any time during the term of this Agreement. Metropolitan agrees that it will evaluate and determine on a yearly basis and, upon receiving a request for wheeling under this Agreement, the amount and availability of unused capacity available to wheel water pursuant to this Agreement. In making its determination, Metropolitan may consider the following factors, which are not exhaustive of all relevant factors to be considered: (i) priority to be given for use of its system for deliveries to its member agencies, (ii) transportation of water for storage, treatment, or system operations, (iii) other uses of the system by its member agencies for any purpose, including emergencies, and (iv) system shutdowns, whether scheduled or unexpected. Metropolitan will not wheel water under this Agreement during any shutdown impacting Calleguas, unless otherwise agreed to by the Parties in writing. Metropolitan has no obligation to increase capacity on its system to wheel water to Ventura under this Agreement. Metropolitan's Board of Directors has delegated the authority to its General Manager to make such determinations and findings for purposes of this Agreement at the time wheeling is requested. The General Manager's determinations and finding will be substantiated in writing to the Parties.

8. Permits and Other Requirements. Ventura shall be solely responsible for obtaining any permits, environmental requirements, or approvals necessary for the transfer of its SWP Supplies to Metropolitan and wheeling through Metropolitan's system under this agreement, including any necessary agreements or approvals by the Department of Water

Resources (DWR), any applicable requirements pursuant to the California Environmental Quality Act (CEQA), and compliance with any applicable provisions of California Water Code Sections 1810-1814 (the Wheeling Statutes).

9. Water Quality. Ventura's SWP Supplies originate from and will be delivered to Metropolitan in the same manner as Metropolitan receives its own SWP water at the Castaic Lake turnouts and is therefore no different in water quality than Metropolitan's SWP water. Metropolitan will deliver water under this Agreement that meets the same quality standards of water it delivers to Calleguas. The water delivered to Ventura may consist of SWP water commingled with Colorado River or any other water in Metropolitan's system. Metropolitan is not responsible for the quality of water delivered beyond the point of delivery at Metropolitan's Calleguas Service Connections CA-01, CA-02, and CA-03.

10. Use of Water. Calleguas and Ventura may not sell, lease, or transfer Ventura's SWP Supplies for use within Metropolitan's service area. Calleguas may not use Ventura's SWP Supplies within its service area, unless such use is otherwise agreed to in a separate writing by Metropolitan, Calleguas, and Ventura.

11. Audit. Calleguas and Ventura will accurately maintain records of all water deliveries under this Agreement. Upon Metropolitan's request, Calleguas and Ventura will submit such records to Metropolitan within seven (7) days for review and approval.

12. Price.

(a) The price Ventura will pay Metropolitan to wheel water from Metropolitan's turnouts at Castaic Lake to Metropolitan's Calleguas Service Connections CA-01, CA-02, and CA-03 will be \$1,105 in calendar year (CY) 2025 and \$1,215 in CY 2026. The price for CYs 2025 and 2026 were determined by Metropolitan based on the published transportation-related rate elements, the System Access Rate and the System Power Rate, and the published Treatment Surcharge.

The price for CY 2027 will be based on the 2026 wheeling price of \$1,215 plus a percentage increase equal to the Consumer Price Index for All Urban Consumers (CPI-U) series "Water and sewerage maintenance in U.S. city average, all urban consumers, not seasonally adjusted." The price for every year thereafter will be based on the wheeling price for the previous year plus a percentage increase equal to the CPI-U.

The price for the first five calendar years is summarized below to reflect examples of the annual

increase:

$$2025 = \$1,105$$

$$2026 = \$1,215$$

$$2027 = \$1,215 + (\$1,215 * \text{CPI-U}\%)$$

$$2028 = 2027 \text{ wheeling price} + (2027 \text{ wheeling price} * \text{CPI-U}\%)$$

$$2029 = 2028 \text{ wheeling price} + (2028 \text{ wheeling price} * \text{CPI-U}\%)$$

In the event the CPI-U used in this agreement is no longer available, the parties will meet and confer to select a new escalator. Pending agreement regarding a new escalator, the annual increase will be calculated based on the average increase over the years from the beginning of the agreement to the year in which the applicable CPI-U is no longer available.

(b) The Parties agree that they have evaluated the anticipated wheeling transactions under this Agreement and determined that the volumetric price term under this Agreement constitutes a negotiated fair price for the transaction. The Parties agree they have not identified and do not claim the wheeling transactions under this Agreement provide any offsetting benefits to Metropolitan that would reduce Metropolitan's transportation-related costs and therefore the price in this Agreement.

(c) The Parties agree that if a court of competent jurisdiction makes a final determination that the price Ventura pays Metropolitan under Section 12(a) is invalid, then this Agreement is terminated.

13. Invoicing and Payment.

(a) Metropolitan shall bill Ventura for an amount of wheeling determined by the meter reading at the C-V Interconnection Pipeline on the last day of each month, adding the losses attributable to wheeling of the water on the Calleguas system (0.5%) and the losses attributable to wheeling on Metropolitan's system (3%). Any wheeling transaction that takes place during the billing month that is not recorded in time for billing purposes on the last day of the month shall be included in the following month's bill. Metropolitan will submit monthly invoices to Ventura, with a copy to Calleguas, electronically using the same billing processes and timeline provided for in Metropolitan's Administrative Code for bills to Metropolitan's member agencies.

(b) Certification and Billing to Calleguas. Calleguas shall submit Exhibit A for certification purposes pursuant to this Agreement consistent with Metropolitan's Administrative

Code, sections 4506 to 4507. The water delivered to Calleguas for wheeling to Ventura under this Agreement will be recorded as being delivered to Calleguas, but will be credited in the bill for water service from Metropolitan to Calleguas so as to not charge Calleguas for the water. Metropolitan's deliveries of water wheeled under this Agreement for Ventura do not constitute a water sale or other service provided from Metropolitan to Ventura or to Calleguas. Wheeling transactions under this Agreement shall not be treated as sales to Calleguas for purposes of any rates or charges owed to Metropolitan, including the Readiness-to-Serve Charge. Calleguas will be responsible for charges related to minimum and maximum flow rate exceedances at Metropolitan's Calleguas Service Connections CA-01, CA-02, and CA-03 as described in Metropolitan's Administrative Code Section 4504.

14. Discovery of Mistakes or Errors. In the event a mistake or error is discovered in a water delivery record, the Parties will cooperate to correct the mistake or error. However, no mistake or error made more than three years prior to its discovery will be corrected unless otherwise agreed to by the Parties in writing.

15. Disputes. In the event that Ventura or Calleguas disputes the total amount of water delivered, the charges for water delivered, and the total amount due and owing, all as determined by Metropolitan, such amounts due must be paid in full and timely while the dispute is being resolved. If the Parties, a court of law, or other entity with jurisdiction over Metropolitan determines any moneys paid by Ventura to Metropolitan must be returned to Ventura, then Metropolitan will return the funds and no interest will be owed by Metropolitan on that money. The Parties agree this provision constitutes a stipulated pre-judgment interest agreement for purposes of California Civil Code Section 3289 and agree that the interest rate is 0%.

16. Commencement. This Agreement is effective on the date that the last party has executed the Agreement.

17. Termination.

(a) This Agreement terminates on December 31, 2055 or upon the termination of the current State Water Contracts with DWR, whichever comes first.

(b) Notwithstanding Section 17(a), this Agreement may be terminated, or a Party may withdraw from the Agreement at any time, provided the Party gives 120 days written notice and all wheeling transactions in progress are completed.

18. Force Majeure. If the performance, in whole or in part, of the obligations of the

Parties, to wheel water under this Agreement is prevented: by acts or failures to act of DWR or any agency, court, or other government authority (other than the Parties), or any other person; by natural disaster (such as earthquake, fire, drought, or flood), contamination or outbreak of a water borne disease, war, strike, lockout, act of God, act of civil or military authority; by the operation of applicable law; or by any other cause beyond the control of the affected Parties, whether similar to the causes specified herein or not; then, in any such circumstances, the obligation of the affected Parties to wheel water under this Agreement shall be suspended from the time and to the extent that the performance thereof is prevented, but reasonable diligence shall be observed by the affected Parties, so far as it lies in their power, in performing such respective obligations in whole or in part under this Agreement. In the event such performance of any of the Parties under this Agreement is prevented as described above, then during the period of such prevention, performance by the non-affected Parties under this Agreement shall be excused until such prevention ceases, at which time all the Parties shall become obligated to resume and continue performance of their respective obligations hereunder during the term of this Agreement. No such prevention shall suspend or otherwise affect any payment obligations for water actually wheeled or any obligation of any Party to indemnify the other Parties pursuant to Section 20.

19. Applicable Laws. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

20. Indemnification.

(a) Ventura will defend, indemnify, and hold harmless Metropolitan and Calleguas against any claims concerning actions taken prior to Metropolitan assuming control of the water at Metropolitan's turnouts at Castaic Lake, concerning actions after Ventura assumes control of the water upon delivery to Ventura by Calleguas, and for any other activities under the exclusive control of Ventura.

(b) Metropolitan will defend, indemnify, and hold harmless Ventura and Calleguas against any claims concerning actions after Metropolitan assumes control of the water at Metropolitan's turnouts at Castaic Lake and prior to Calleguas assuming control of the water at Metropolitan's Calleguas Service Connections CA-01, CA-02, and CA-03, and for any other activities under the exclusive control of Metropolitan.

(c) Calleguas will defend, indemnify, and hold harmless Metropolitan against any

claims concerning actions after Calleguas assumes control of the water at Metropolitan's Calleguas Service Connections CA-01, CA-02, and CA-03 and prior to delivery to Ventura and for any other activities under the exclusive control of Calleguas.

(d) Ventura will defend, indemnify, and hold harmless Metropolitan and Calleguas against any claims alleging wheeling under this Agreement violates any law, including CEQA, the Wheeling Statutes, and any other laws.

(e) Notwithstanding anything in this Agreement to the contrary, each Party agrees to proceed with reasonable diligence and use reasonable good faith efforts to jointly defend any lawsuit or administrative proceeding initiated by any person other than the Parties challenging the legality, validity, or enforceability of this Agreement.

21. No Third-Party Rights. This Agreement is made solely for the benefit of the Parties. No other person or entity may have or acquire any right by virtue of this Agreement.

22. Ambiguities. Each Party and its counsel have participated fully in the drafting, review, and revision of this Agreement. No rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall be applied in the interpretation of this Agreement or any amendments or modifications thereof.

23. Entire Agreement. This Agreement constitutes the final, complete, and exclusive statement of the terms of the agreement among the Parties pertaining to the wheeling of water and supersedes all prior and contemporaneous understandings or agreements of the Parties. No Party has been induced to enter into this Agreement by, nor is any Party relying on, any representation or warranty outside those expressly set forth in this Agreement.

24. Counterparts. This Agreement may be executed in two or more counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument, with the same force and effect as though all signatures appeared on a single document.

25. Modification Only in Writing. This Agreement may only be changed by written amendment signed by all Parties. Any oral representations or modifications concerning this Agreement shall be of no force or effect.

26. Notification. Unless and until changed by notification given in accordance with this Section, any notice, demand, or request to be given under or pursuant to this Agreement shall be given in writing at the physical addresses set forth below by personal service; overnight

courier; or registered or certified, first-class mail, return receipt requested, or via electronic mail at the email address set forth below:

If to Metropolitan:

The Metropolitan Water District of Southern California
P.O. Box 54153
Los Angeles, CA 90054-0153
Attention: General Manager

If to Calleguas:

Calleguas Municipal Water District
2100 Olsen Road
Thousand Oaks, CA 91360-6800
Attention: General Manager

If to City of Ventura:

City of Ventura
501 Poli Street
City Hall
Ventura, CA 93002-0099
Attention: City Manager

27. Dispute Resolution. The Parties agree to use their best efforts to prevent and resolve disputes by good faith cooperation and negotiation. In the event that any dispute arises among two or more Parties relating to this Agreement or the rights and obligations arising from this Agreement, the aggrieved Party or Parties shall provide written notice to the other Parties of the dispute. Within forty-five (45) days after such written notice, the Parties involved in the dispute shall attempt in good faith to resolve the dispute through informal means. If the Parties cannot agree upon a resolution of the dispute within forty-five (45) days from the providing of written notice specified above, the Parties involved in the dispute may decide to submit the dispute to mediation prior to commencement of any legal action. If the Parties involved in the

dispute agree to mediation, they shall select a neutral third-party mediator with appropriate expertise to mediate the dispute and the cost of mediation shall be paid in equal proportion among the Parties involved in the dispute. If no mediation is held or upon completion of any mediation that is held, if the controversy has not been resolved, any Party may exercise all rights to bring a legal action relating to the dispute.

28. Representation by Counsel. Each Party acknowledges that it has been represented by legal counsel of its choice throughout the negotiations which preceded the execution of this Agreement and that it has executed this Agreement with the consent and on the advice of such legal counsel. Each Party further acknowledges that it and its counsel have had adequate opportunity to make whatever investigation or inquiry they may deem necessary or desirable in connection with the subject matter of this Agreement prior to the execution hereof and the delivery and acceptance of the consideration specified herein.

29. Joint Drafting. This Agreement has been jointly negotiated and drafted. The language of this Agreement shall be construed as a whole according to its fair meaning and not strictly for or against any Party.

30. Signing Authority. Each person executing this Agreement on behalf of a Party warrants and represents to the other Parties that he or she is duly authorized to execute this Agreement on behalf of such Party and has the authority to bind their Party to the performance of its obligations hereunder.

[signatures on following page]

**THE METROPOLITAN WATER DISTRICT
OF SOUTHERN CALIFORNIA**

Deven N. Upadhyay
Interim General Manager

Dated

APPROVED AS TO FORM:

Marcia L. Scully
General Counsel

Dated

CALLEGUAS MUNICIPAL WATER DISTRICT

Kristine McCaffrey
General Manager

Dated

APPROVED AS TO FORM:

Walter E. Wendelstein
District Counsel

Dated

CITY OF SAN BUENAVENTURA

Bill Ayub
City Manager

Dated

APPROVED AS TO FORM:
Javan N. Rad, City Attorney

By: _____
Miles Hogan
Senior Assistant City Attorney

Dated

EXHIBIT A



Calleguas-Ventura (C-V) Interconnection Pipeline Deliveries
For the month of August 2025

Deliveries	Start Read	End Read	Delivered
Meter C-V Interconnection	7/31/2025	8/31/2025	234.0 Acre-Feet
	XXXX	XXXX	

	Volume(acre-feet)	Rate (\$/acre-foot)	Total
Delivery to C-V Interconnection ^a	234.0		
Calleguas System Loss at 0.5% ^b	1.2		
Delivery to Calleguas for Ventura ^c	235.2		
Metropolitan System Loss at 3% ^d	7.3		
Delivery to Metropolitan for Ventura ^e	242.5	\$1,105	\$267,962.50

- a - Water delivered by Calleguas to Ventura at C-V Interconnection = V
- b - Calleguas system loss calculated as 0.5% C (next footnote)
- c - Water delivered by Metropolitan to Calleguas for Ventura = $C = V / (1 - 0.005)$
- d - Metropolitan system loss calculated as 3% M (next footnote)
- e - Water delivered to Metropolitan at Castaic Lake for Ventura = $M = C / (1 - 0.03)$

For the month of August 2025	
Water Credited to Calleguas	235.2 acre-feet
Total Estimated Charges to Ventura	\$267,962.50

Signed by: _____ Date: _____
 Name, Title
 Calleguas Municipal Water District