

**WATER PURCHASE AGREEMENT BETWEEN AND AMONG THE CITY OF
CORONA, THE CITY OF NORCO, JURUPA COMMUNITY SERVICES
DISTRICT AND WESTERN MUNICIPAL WATER DISTRICT PROVIDING
FOR THE TEMPORARY ASSIGNMENT AND PURCHASE OF WATER
PRODUCED FROM THE ARLINGTON AND CHINO DESALTERS**

This Water Purchase Agreement (Agreement) dated [Insert Date], is entered into by and between the City of Corona, a California municipal corporation (Corona), the City of Norco, a California municipal corporation (Norco), Jurupa Community Services District, a California municipal water district (Jurupa), and Western Municipal Water District, a California municipal water district (Western), sometimes individually or collectively referred to herein as “Party” or “Parties”, respectively.

RECITALS

- A. In 2001, Norco and Western entered into a water purchase agreement (Arlington Agreement), whereby Western as the owner/operator of the Arlington Desalter would deliver a minimum of 4,400 acre-feet per year to Norco. Western has also delivered Arlington Desalter water to Corona from time to time. The Arlington Desalter can deliver up to 6,500 acre-feet per year.
- B. Norco, Jurupa and Western are three of eight member agencies of the Chino Basin Desalter Authority (CDA). Norco, Jurupa and Western respectively own 1,000 acre-feet per year, 11,733 acre-feet per year and 3,534 acre-feet per year of capacity rights in the CDA facilities. These capacity rights entitle the Parties to take delivery of water through CDA facilities subject to the applicable policies and water purchase agreements (Chino Agreement) of the CDA.
- C. Western, a member agency of the Metropolitan Water District of Southern California (Metropolitan), has access to imported supply and is committed to assisting its member agencies within its general service area to secure water supplies to meet future demands, as well as mitigate water shortages due to drought and other factors through regional collaboration.
- D. In addition to its investment in the expansion of CDA facilities and owning/operating the Arlington Desalter, Western recently completed construction of a regional pump station (Sterling) and a five-mile pipeline (La Sierra) that now connects the two desalters. These new facilities also connect to Western’s retail system and the Mills Gravity Line (MGL). This provides Western the ability to deliver up to 10,000 acre-feet per year to Corona, Norco, Jurupa, Western retail and MGL customers.
- E. Upon construction of an additional pressure reducing valve in the La Sierra pipeline these new facilities provide Western the ability to reverse the flow of water and deliver Metropolitan imported water from the Mills Water Treatment Plant back down the La Sierra pipeline into the Sterling pump station and then into the

- Arlington Desalter system (Reverse Flow). Reverse Flow is expected to be utilized to meet peak summer demands.
- F. The Parties to this Agreement continue to pursue access to local water supplies through a variety of regional purchase, exchange, and storage agreements. These new regional facilities described above, along with growing demands and less reliable imported supplies, provides Western with an opportunity to implement a new program, the “Wholesale Enterprise”, that will deliver water (Wholesale Water) to the Parties at a cost-competitive purchase price.
- G. The Parties wish to coordinate water delivery operations to maximize Wholesale Water deliveries with the intent of a lower cost per unit than Metropolitan pricing.
- H. This Agreement is a short-term Agreement, ending on June 30, 2025, with the option to extend for several years. However, upon success of the Wholesale Enterprise, the Parties wish to develop a long-term agreement and plan for purchase and delivery of Wholesale Water.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING RECITALS, WHICH ARE INCORPORATED HEREIN, AND THE FOLLOWING PROVISIONS, THE PARTIES ENTER INTO THE FOLLOWING UNDERSTANDINGS:

Section 1. Purchased and Delivered Water. Subject to the terms and conditions set forth in this Agreement, and the provisions of the Arlington and Chino Agreements, the Parties agree to the following assignment, delivery, and purchase of Wholesale Water deliveries:

1. Corona – up to 2,100 acre-feet per year, or up to 1,500 gallons per minute
2. Norco – up to 4,400 acre-feet per year, or up to 3,000 gallons per minute
3. Jurupa – up to 3,534 acre-feet per year, or up to 2,200 gallons per minute

The above Wholesale Water deliveries assume one train of Arlington Desalter water to Corona, two trains of Arlington Desalter water to Norco and all of Western’s Chino Desalter water to Jurupa. The Parties agree to meet and confer on a regular basis and when any Party wishes to change its flow rate and/or delivery location. The Parties agree to provide, at a minimum, a 48 hour notice to all the Parties when flow rates and/or delivery location will change, and a 24 hour notice during an emergency. In addition, Western will notify the Parties if there is a change in water quality or source that would require the Parties to modify their respective operations.

Seasonal demand variability may cause the Parties demands to exceed or fall below the Wholesale Water delivery schedules from the Arlington and Chino Desalters. If the Parties demands exceed the available supplies, then Western will have the ability to Reverse Flow Metropolitan imported water into the Wholesale Enterprise system. If the Parties demands

fall below the need for the available supplies, then Western shall either reduce Arlington Desalter production or deliver Wholesale Water through Sterling into Western's retail delivery system.

Section 2. Wholesale Water Price. The price per acre-foot that the Parties will pay (Wholesale Price) shall be determined by the capital, operating and maintenance, debt service, asset replacement, water replenishment, and general and administrative costs of the assets needed to operate the regional Wholesale Enterprise system.

The Wholesale Price for Fiscal Year 2022-2023, effective January 1, 2023, shall be \$1,100 per acre-foot. The Wholesale Price will be updated on an annual basis and will be established for the upcoming fiscal year in advance of April 1 each year. If the Wholesale Price is not available by April 1, the Parties agree to use the previous year's Wholesale Price, plus an escalator of 4% until the Wholesale Price is updated. If the Wholesale Price is not updated by June 30 of each year the Parties agree to use the previous year's Wholesale Price without an escalator.

Section 3. Payment. The Parties shall pay Western the Wholesale Price in accordance with Section 2 of this Agreement for the delivery of Wholesale Water. Western will invoice the Parties monthly for prior month Wholesale Water deliveries with payment due from the Parties by the 30th day after the invoice date (due date). Invoiced amounts not paid by the due date shall be subject to interest charges. Interest will be calculated at a rate of one-half percent (0.5%) per month.

Section 4. Annual Operating Plan. The Parties shall meet prior to April 1 of each Fiscal Year, while this Agreement is in effect, and develop an Annual Operating Plan for delivery of Wholesale Water that is intended for delivery and purchase during the upcoming fiscal year (Attachment 1). The Parties shall coordinate and maintain operational flexibility regarding delivery location. The Parties shall coordinate with CDA and Western staff regarding appropriate flow settings for Wholesale Water deliveries.

Section 5. Western's Assignment of Chino Desalter Production. Nothing in this Agreement or the Assignment of Chino Desalter water will change any of the Parties obligations or benefits to the Chino Basin Watermaster including, but not limited to, obligations or benefits under the Judgment, Peace Agreement, and/or the Peace II Measures. The Chino Basin Watermaster's function is to implement the Judgment and subsequent agreements. Specifically, the Peace and Peace II Agreement identify the parties obligations and benefits for the Chino Desalter program.

Section 6. Term. The term of this Agreement shall commence following full execution of this Agreement and shall remain in effect until June 30, 2025. This Agreement may be extended twice, one additional year at a time by mutual agreement among the Parties. Each of the Parties shall be responsible for notifying Western at least 90 days in advance for any

early termination. Upon mutual agreement, this Agreement may be extended beyond the original term.

Section 7. Emergency and Allocation Contingency. In the event that during the term of this Agreement Western experiences an emergency or allocation whereby its deliveries of Metropolitan imported water and/or local groundwater supplies are interrupted, per Section 1, the Parties agree to meet and confer and develop a new delivery plan. However, if the Parties are unable to come to an agreement, Western reserves the right to access it's CDA water.

Section 8. Promulgating Agreements. The Parties may determine to enter into one or more agreements for purposes of promulgating provisions of this Agreement, or related assignment or other agreements with other parties in connection with furthering the understandings set forth herein.

By: _____

Tom Moody, General Manager
City of Corona Department of Water and Power

By: _____

Lori Sassoon, City Manager
City of Norco

By: _____

Chris Berch, General Manager
Jurupa Community Services District

By: _____

Craig D. Miller, General Manager
Western Municipal Water District

Attachment 1
SAMPLE FISCAL YEAR 2023 OPERATING PLAN
FOR
WATER PURCHASE AGREEMENT FOR WHOLESALE ENTERPRISE WATER BETWEEN
CITY OF CORONA, CITY OF NORCO, JURUPA COMMUNITY SERVICES DISTRICT AND WESTERN MUNICIPAL WATER DISTRICT

The Parties comprised of representatives from Corona, Norco, Jurupa and Western agree to the estimated delivery targets in Table 1 for Fiscal Year 2023. Monthly numbers are intended to be a guide. Actual monthly deliveries will be subject to capacity, system operability, and customer demand. All Parties are interested in maximizing the delivery of Wholesale Enterprise water and strive to achieve the monthly estimated targets, and thus the Annual Objective in Table 1, below.

Table 1. Fiscal Year 2032 Delivery Schedule (acre-feet)

Agency	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Annual Objective
Corona	263	263	239	215	167	119	95	71	95	155	203	215	2100
Norco	550	550	500	450	350	250	200	150	200	325	425	450	4400
Jurupa	300	300	300	300					300	300	300	300	2400
Western*					300	300	250	250					1100
TOTAL	1113	1113	1039	965	817	669	545	471	595	780	928	965	10000

*It is assumed that due to seasonal variation in demands that Western will take Wholesale Water through the Sterling Pump Station and delivery it to its retail system.

City of Corona Authorized Designee

Jurupa Community Services District Authorized Designee

Signature and Date

Signature and Date

City of Norco Authorized Designee

Western Municipal Water District Authorized Designee

Signature and Date

Signature and Date