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## RATE STRUCTURE FOR CUSTOMERS

Adopted By the Semitropic Board Oct. 25, 2012

Updated January 2014

### Total Semitropic Permitted Program Capacities at Full Build out:

<u>ITEM</u>	<u>FIRM CAPACITY</u>		<u>FIRM</u> <u>TOTAL</u>	<u>ADDITIONAL</u> <u>WHEN AVAILABLE</u> <sup>(1)</sup>
	<u>Original</u> <u>Program</u>	<u>Stored Water</u> <u>Recovery Unit</u>		
Recovery	90,000 AF/Yr	200,000 AF/Yr	290,000 AF/Yr	287,000 AF/Yr
Storage	1.0 M AF	650,000 AF	1.65 M AF	350,000 AF
Recharge	90,500AF/Yr	200,000 AF/Yr	233,000 AF/Yr	430,000 AF/Yr

<sup>(1)</sup> Additional capacity in the Semitropic Water Bank that may be used when not used by Semitropic and other Banking Partners includes:

a) Recharge:

- Up to 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.
- 200,000 AF/Yr of SWRU Pumpback and 90,000 AF/Yr of Original Project Pumpback.
- KWB Pumpback not used by KWB participants.

All Banking Partners/ Customers that have a firm capacity will also have a Second Priority right in the entire Semitropic Banking Program.

### Losses

Losses or water left behind offset transportation losses and for the benefit of the groundwater basin is 10%.

### **Definition of One Unit/Share of firm service in the SWRU:**

<u>ITEM</u>	<u>SWRU</u>
Recovery	1.0 AF/Yr
Storage	3 AF
Recharge	1.0 AF/Yr

**SHARES AVAILABLE in the SWRU as of January,2014 is:**

- 13,250 in Area A (i.e. Integrated with the Original Program)
- 145,000 in Area B (i.e. Located in the NW part of the District and separate from the Original Program)

**TOTAL SHARES 158,250    TOTAL STORAGE 474,750 AF**

### **Rate Structure**

The Rate Structure guidelines for negotiating the cost for acquiring shares as approved by the Semitropic Board of Directors are as follows:

#### **I Capital Payments**

Cost per unit/share:

- Area A - Negotiable (For 1-4,999)  
-\$1,470 per share (For 5,000 to 13,250 shares)
- Area B -Negotiable (For 1-4999 shares)  
-\$1,690 per share (for 5,000 – 140,250 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 Semitropic 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, Semitropic 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 is 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 Semitropic 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 (in 2014 Dollars)

Management Fee	-\$6.17 Per Share Per Year
Maintenance Fee	- \$8.00 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)

### Area A

Recharge - \$12.33 Per AF when water is received for storage  
Recovery-\$86.33 Per AF plus actual energy when water is recovered from  
Storage and conveyed to California Aqueduct.

### Area B

Recharge - \$20.55 Per AF when water is received for storage  
Recovery - \$123.32 per AF plus actual energy when water is recovered from  
Storage and conveyed to the California Aqueduct

All costs and fees are based on 2014 dollars and, except for the Maintenance Fee, are escalated on the same basis as existing SWSD banking program agreement escalators.

**Note:** The Original Semitropic Water Bank, having one million acre-foot of storage was established in 1994, is now sold out but its facilities may be used by all Stored Water Recovery Unit ( SWRU) participants, on a when available basis.