

**APPENDIX A:**

- **MEMORANDUM OF UNDERSTANDING ROSEDALE RIO BRAVO WATER STORAGE DISTRICT**
- **APPENDIX 2 – ROSEDALE RIO BRAVO WATER STORAGE DISTRICT STUDY**

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is entered into by and between ROSEDALE RIO BRAVO WATER STORAGE DISTRICT, a California Water Storage District, organized and existing under Division 14 of the California Water Code ("District") and VAUGHN WATER COMPANY, INC., a California Mutual Water Company, organized and existing under provisions of the California Corporations Code ("Company").

### RECITALS

WHEREAS, the District was organized in 1959 and provides the water supply to landowners within its boundaries, principally by importation of water for recharge and groundwater stabilization, thereby enhancing the groundwater supply available for landowners within its boundaries; and

WHEREAS, the Company was organized in 1928 and since then has provided domestic water service to its shareholders and customers, principally in the greater Rosedale area, northwest of Bakersfield; and

WHEREAS, a significant portion of the Company's service area is located within the District and thereby the District enhances the groundwater supply available to landowners within that portion of the Company's service area, and the Company in turn has continued to act as agent for and exercise the rights of its landowners/shareholders to extract groundwater for their common benefit; and

WHEREAS, through this Memorandum of Understanding, the District and Company wish to confirm their understanding as to how certain matters related to planning and urban growth within their common boundaries will be administered.

### AGREEMENT

NOW, THEREFORE, the Parties agree as follows:

1. The District through its Project providing for importation of water for recharge and groundwater stabilization to benefit the landowners within its District provides water which in turn the Company pumps for the benefit of its Shareholders for use within its service area. In carrying

out its Project, the District has stabilized and balanced groundwater conditions and it is the District's objective to continue to provide a balance water supply for all landowners within its boundaries, including the shareholders of the Company.

2. The District will cooperate with the Company in providing information and doing other things necessary and appropriate to facilitate the Company preparing and/or amending from time to time its Urban Water Management Plan (prepared pursuant to Chapter 3 of Part 2.6 of Title 6 of the California Water Code, commencing at Section 10620), its SB 610 Plan (Part 2.10 of Division 6 of the California Water Code, commencing at Section 10910) its SB 221 Plan (commencing Government Code Section 66473.7), and other applicable laws relating to planning for urban development and use of urban water supplies.

3. In coordinating and planning for new urban development within the Company through tracts or parcel maps, the following steps generally shall be observed.

A. The Company Manager prepares a "will-serve" letter, which is reviewed by the Company's Engineer and forwarded to the Company Board for approval.

B. If approved by the Company's Board, a copy of the will-serve letter is then transmitted to the requesting party and to the District Manager. In addition, the Company shall transmit to the District Manager calculations showing the estimated water usage for that particular tract, generally in the form illustrated at Exhibit A hereto.

C. The County and/or City may then ask the District Manager for confirmation of the available water supply. If so requested the District Manager shall respond affirmatively based on the information available to him.

D. The Company then prepares a Tract Agreement. An exhibit to the Tract Agreement, required to be executed prior to or upon recordation of a Final Tract Map, will be a "Transfers and Covenants Agreement", substantially in the form attached hereto as Exhibit B.

E. Upon receiving the Transfers and Covenants Agreement executed by the Developer, the Company shall execute same and forward to the District for its execution. Following the District executing the Transfers and Covenants Agreement, it shall cause same to be recorded and upon receiving a copy of the recorded document, transmit a copy to the Company.

The foregoing process shall not apply to individual applications for service to the Company, provided, from time to time the Company Manager shall keep the District Manager advised of any such individual connections and the estimated water usage of each.

The foregoing procedure in this Paragraph 3 may be modified from time to time to meet then existing conditions and requirements, as mutually agreed to by the District Manager and Company Manager.

IN WITNESS HEREOF the parties hereto have executed this Memorandum of Understanding this \_\_\_\_\_ day of June, 2005.

**ROSEDALE RIO BRAVO WATER STORAGE DISTRICT,**  
a California Water Storage District

BY: Wesley Deluge

**VAUGHN WATER COMPANY, INC.,**  
a California Mutual Water Company

BY: Michael L. Hehn

# **Notification of Request for Water Service**



# **Transfers and Covenants Agreement**

**RECORDING REQUESTED BY  
AND FOR THE OFFICIAL BUSINESS OF:**

Rosedale-Rio Bravo Water Storage District

**WHEN RECORDED MAIL TO:**

Rosedale-Rio Bravo Water Storage District  
849 Allen Road  
Post Office Box 867  
Bakersfield, CA 93302-0867

The undersigned grantor declares that the  
Documentary Transfer Tax due is: None - no consideration

- Computed on full value of property conveyed, or  
 Computed on full value, less liens and encumbrances remaining at time of sale.  
 Unincorporated area of County of Kern

APN:

---

---

**TRANSFERS AND COVENANTS AGREEMENT**

WHEREAS, \_\_\_\_\_, a corporation (the "Subdivider"), is the owner of the real property described on the attached Exhibit A (the "Property") and has obtained an approved tentative map for the subdivision of the Property under the Subdivision Map Act and the laws of the County of Kern, such subdivision being designated as Tract \_\_\_\_\_ (the "Tract"); and

WHEREAS, the Property is within the service area of VAUGHN WATER COMPANY, INC., a mutual water company organized and existing under and by virtue of the laws of the State of California (the "Water Purveyor"), the Water Purveyor will provide water service to the Tract, and each lot owner within the Tract will become a shareholder of the Water Purveyor; and

WHEREAS, the Water Purveyor has, without objection, provided water service by acting as agent for and exercising the rights of its shareholders to extract groundwater for their common benefit; and

WHEREAS, the Property is also within the boundaries of ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT, a California water storage district organized and existing under and by virtue of Division 14 of the Water Code (the "District"), and the District has a project for the importation of water for recharge and groundwater stabilization for the benefit of the landowners within the District; and

WHEREAS, the Subdivider desires that the Water Purveyor exercise all of the Subdivider's rights to extract water from beneath the Property [and to transfer to the District all of the Subdivider's right, title and interest in and to all return water flows from the Tract];

NOW, THEREFORE, the Subdivider hereby agrees that the Water Purveyor, as agent for the owner of each lot within the Tract, may exercise all of the Subdivider's right, title and interest to extract water from beneath the Property, whether such right be overlying, appropriative, prescriptive,

**EXHIBIT B**

contractual, or otherwise, for the purpose of providing water service to shareholders of the Water Purveyor within the Tract [and hereby transfers to the District all of the Subdivider's right, title and interest in and to all water return flows produced or to be produced by the owners of lots within the Tract, including all sewage effluent, for the purpose of maintaining balance of the District's groundwater resources.]

Neither the Subdivider nor any owner of a lot within the Tract shall extract, or attempt to authorize any other person to extract, any water from beneath the Property so long as the Water Purveyor provides water service to each lot within the Tract.

The foregoing transfers and covenants are made for the direct benefit of the Property and each lot within the Tract and shall run with the land.

Dated: \_\_\_\_\_, 2005

**ROSEDALE RIO BRAVO WATER  
STORAGE DISTRICT,**  
a California Water Storage District

**VAUGHN WATER COMPANY, INC.,**  
a California Mutual Water Company

BY: \_\_\_\_\_

BY: \_\_\_\_\_

**EXHIBIT B**

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT**

State of California }  
County of \_\_\_\_\_

On \_\_\_\_\_, 2005, before me, \_\_\_\_\_ Notary Public,  
personally appeared \_\_\_\_\_;

- personally known to me
- proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Place Notary Seal Above

\_\_\_\_\_  
SIGNATURE OF NOTARY PUBLIC

**OPTIONAL**

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to an unauthorized document.

CAPACITY CLAIMED BY SIGNER

DESCRIPTION OF ATTACHED DOCUMENT:

CORPORATE OFFICER(S)

\_\_\_\_\_  
[DOCUMENT TITLE]

TITLES

\_\_\_\_\_  
[NO. OF PAGES]

- PARTNER(S)
- LIMITED
- GENERAL

\_\_\_\_\_  
[DATE OF DOCUMENT]

- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: \_\_\_\_\_

Signers Other Than Above:

\_\_\_\_\_  
Signer(s) is/are representing:  
\_\_\_\_\_

**EXHIBIT B**

**ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT**

CERTIFICATE OF ACCEPTANCE

(Gov. Code, § 27281)

THIS IS TO CERTIFY that the interest in real property conveyed by the instrument dated \_\_\_\_\_ from \_\_\_\_\_, a corporation, to ROSEDALE-RIO BRAVO WATER STORAGE DISTRICT, a California water storage district organized and existing under the by virtue of the provisions of Division 14 (commencing with section 39000) of the Water Code (the "District"), and VAUGHN WATER COMPANY, a mutual water company, is hereby accepted on behalf of the District by the Secretary of the District pursuant to authority conferred upon the Secretary in Resolution \_\_\_\_\_, adopted on \_\_\_\_\_ and the District hereby consents to the recordation thereof.

Dated: \_\_\_\_\_, 2005

ROSEDALE-RIO BRAVO WATER  
STORAGE DISTRICT

By: \_\_\_\_\_  
Royce Fast, Secretary

[Seal]

**EXHIBIT B**

**APPENDIX 2  
HYPOTHETICAL RRBWSD OPERATIONS ANALYSIS WITH KERN-TULARE, ARVIN-EDISON AND BWSD BANKING PROGRAMS AND GLC PROGRAM**

STUDY YEAR (1)	ANNUAL KERN RIVER INDEX (2)	PROJECTED SWP ENTLMNT ALLOC (3)	PROJECTED KERN RIVER DELIVERIES (4)	PROJECTED KR FLOOD DELIVERIES (5)	PROJECTED FK FLOOD DELIVERIES (6)	PROJECTED PIONEER FLOOD DELIVERIES (7)	RRBWSW SWP SUPPLY (8)	OTHER WATER PURCHASES (9)	EST SAFE YIELD (10)	NET RRB SUPPLY FROM KT & AE (11)	ANNUAL NET RRBWSD SUPPLY (12)	EST FUTURE CONS USE (13)	GLC DELIV OBLIG (14)	8% EXPORT LOSS (15)	ANNUAL WATER DEMAND (16)	ANNUAL WATER BALANCE (17)	CUM WATER BALANCE (18)	IN-DISTRICT BALANCE			EXPORT BALANCE			ANNUAL IN-DIST RECHARGE (25)	ANNUAL BANKING RETURNS (26)	CUM LOSSES (27)	
																		ANNUAL NET SUPPLY (19)	ANNUAL DEMAND (20)	CUM WATER BALANCE (21)	ANNUAL EXPORT SUPPLY (22)	ANNUAL DELIV OBLIG (23)	CUM WATER BALANCE (24)				
1	33	98%	0	0	0	0	29,434	7,962	11,870	0	48,143	74,092	0	0	74,092	-25,949	92,957	118,905	48,143	74,092	51,741	0	0	41,216	37,395	0	1,122
2	132	42%	49,975	0	0	0	12,558	0	11,870	22,455	94,992	73,928	0	0	73,928	-21,053	114,010	94,982	73,928	72,794	0	0	41,216	109,408	1,200	5,277	
3	19	97%	0	0	0	0	28,948	7,507	11,870	0	47,231	73,765	0	0	73,765	-26,534	87,476	47,231	73,765	46,260	0	0	41,216	7,507	30,065	6,370	
4	151	72%	60,974	0	0	0	21,628	653	11,870	22,667	115,294	73,601	-3,500	-280	77,381	37,913	125,389	115,294	73,601	87,953	0	-3,500	37,716	131,421	8,300	12,041	
5	91	26%	26,088	0	0	0	7,699	0	11,870	9,022	53,666	73,437	-2,500	-200	76,137	-22,472	102,918	53,666	73,437	68,182	0	-2,500	35,216	45,090	7,300	13,892	
6	115	91%	39,956	0	0	0	27,089	5,767	11,870	10,702	93,200	73,274	0	0	73,274	19,926	122,844	93,200	73,274	88,108	0	0	35,216	85,278	9,600	17,070	
7	168	86%	70,889	0	0	0	25,778	4,539	11,870	22,694	132,734	73,110	0	0	73,110	59,624	182,468	132,734	73,110	147,732	0	0	35,216	173,788	4,800	25,576	
8	86	95%	23,362	0	0	0	28,276	6,878	11,870	0	68,632	72,946	0	0	72,946	-4,315	178,153	68,632	72,946	143,417	0	0	35,216	48,917	9,600	27,332	
9	183	64%	79,597	34,659	0	11,358	18,987	0	11,870	13,510	165,642	72,783	-15,000	-1,200	88,983	76,659	254,812	132,023	72,783	202,657	30,846	-15,000	51,062	178,111	19,800	39,656	
10	67	85%	12,171	0	0	0	25,298	4,089	11,870	0	52,181	72,619	0	0	72,619	-20,438	234,374	52,181	72,619	182,220	0	0	51,062	16,260	37,663	40,903	
11	80	69%	19,847	0	0	0	20,631	0	11,870	0	51,134	72,455	-10,500	-840	83,795	-32,661	201,713	51,134	72,455	160,898	0	-10,500	40,562	19,847	36,662	42,117	
12	53	44%	4,994	0	0	0	13,156	0	11,870	0	29,476	72,292	-6,000	-480	78,772	-49,296	152,417	29,476	72,292	118,082	0	-6,000	34,562	4,994	32,600	42,662	
13	41	96%	0	0	0	0	26,587	7,170	11,870	0	46,554	72,128	0	0	72,128	-25,574	152,843	46,554	72,128	92,509	0	0	34,562	9,157	26,600	43,734	
14	112	87%	38,437	0	0	0	25,938	4,689	11,870	22,694	101,557	71,964	0	0	71,964	29,593	156,436	101,557	71,964	122,101	0	0	34,562	106,257	9,600	47,912	
15	18	32%	0	0	0	0	9,568	0	11,870	0	21,151	71,801	-20,000	-1,600	93,401	-72,250	84,186	21,151	71,801	71,452	0	-20,000	14,562	0	41,800	48,199	
16	32	79%	0	0	0	0	23,521	2,426	11,870	0	37,039	71,637	-9,000	-720	81,357	-44,318	39,854	37,039	71,637	36,854	0	-9,000	5,562	2,426	30,800	48,977	
17	37	83%	0	0	0	0	24,757	3,583	11,870	0	39,360	71,473	0	0	71,473	-32,113	7,756	39,360	71,473	4,741	0	0	5,562	18,741	9,600	49,827	
18	210	79%	88,612	52,273	4,009	17,130	23,521	2,426	11,870	22,694	216,889	71,310	-17,500	-1,400	90,210	126,679	134,435	162,303	71,310	95,734	50,083	-17,500	38,145	267,992	27,100	70,202	
19	121	98%	43,598	0	0	0	29,293	7,830	11,870	17,497	107,667	71,146	0	0	71,146	36,521	170,956	107,667	71,146	132,256	0	0	38,145	107,668	9,600	74,298	
20	245	74%	86,065	75,331	4,000	24,687	22,066	1,064	11,870	20,011	238,697	70,982	-18,000	-1,440	90,422	148,274	319,230	161,746	70,982	223,020	70,604	-18,000	90,750	283,719	22,800	97,258	
21	57	50%	6,095	0	0	0	14,950	0	11,870	0	32,283	70,819	-9,000	-720	80,539	-48,255	20,975	32,283	70,819	184,484	0	-9,000	81,750	6,095	35,600	97,889	
22	55	92%	5,361	0	0	0	27,583	6,229	11,870	0	49,868	70,655	0	0	70,655	-20,787	250,188	49,868	70,655	163,697	0	0	81,750	17,373	21,800	99,064	
23	89	90%	24,944	0	0	0	26,761	5,459	11,870	2,105	69,424	70,491	0	0	70,491	-1,067	249,120	69,424	70,491	162,630	0	0	81,750	44,904	16,600	100,975	
24	42	48%	0	0	0	0	14,352	0	11,870	0	25,791	70,328	-20,000	-1,600	91,928	-66,136	182,984	25,791	70,328	118,093	0	-20,000	61,750	0	41,800	101,405	
25	50	21%	2,221	0	0	0	6,329	0	11,870	0	20,164	70,164	-16,000	-1,280	87,444	-67,280	115,704	20,164	70,164	68,093	0	-16,000	45,750	2,221	20,800	97,422	
26	166	82%	69,443	0	0	0	24,638	3,471	11,870	25,809	132,304	70,000	0	0	70,000	62,304	118,008	132,304	70,000	130,397	0	0	45,750	164,174	9,600	105,274	
27	136	69%	52,111	0	0	0	20,482	0	11,870	21,089	103,374	69,837	-18,000	-1,440	89,277	14,097	192,105	103,374	69,837	163,934	0	-18,000	27,750	102,365	27,600	110,153	
28	76	93%	17,314	0	0	0	27,690	0	11,870	1,201	62,865	69,673	0	0	69,673	-6,808	185,297	62,865	69,673	157,126	0	0	27,750	42,010	11,800	111,804	
29	313	71%	81,181	119,542	8,000	39,175	21,080	0	11,870	0	272,778	69,509	-18,000	-1,440	88,949	183,829	369,126	149,062	69,509	236,679	113,512	-18,000	123,262	284,723	27,600	138,437	
30	87	99%	23,596	0	0	0	29,475	8,001	11,870	3,642	74,753	69,346	0	0	69,346	5,407	374,533	74,753	69,346	242,086	0	0	123,262	58,982	9,600	140,607	
31	55	89%	5,178	0	0	0	26,596	5,305	11,870	0	47,836	69,182	0	0	69,182	-21,346	353,187	47,836	69,182	220,741	0	0	123,262	12,479	24,600	141,720	
32	218	74%	88,557	57,298	4,000	18,777	22,066	1,064	11,870	25,530	222,925	69,018	-20,000	-1,600	90,618	132,307	485,494	163,466	69,018	315,188	54,556	-20,000	157,818	279,059	29,600	163,090	
33	136	98%	52,111	0	0	0	29,194	7,738	11,870	23,501	121,743	68,855	-17,000	-1,360	87,215	34,528	520,022	121,743	68,855	368,076	0	-17,000	140,818	114,652	26,600	168,355	
34	54	99%	4,443	0	0	0	29,739	8,247	11,870	0	53,026	68,691	0	0	68,691	-15,665	504,357	53,026	68,691	352,411	0	0	140,818	22,829	19,600	169,628	
35	60	82%	8,177	0	0	0	24,638	3,471	11,870	0	47,068	68,527	0	0	68,527	-21,459	482,897	47,068	68,527	330,952	0	0	140,818	11,649	25,100	170,716	
36	86	97%	23,053	0	0	0	29,046	7,599	11,870	0	69,777	68,364	0	0	69,777	1,413	484,311	69,777	68,364	332,365	0	0	140,818	50,098	9,600	172,507	
37	36	28%	0	0	0	0	8,372	0	11,870	0	19,991	68,200	0	0	68,200	-48,209	436,102	19,991	68,200	284,156	0	0	140,818	0	11,800	172,758	
TOTAL			1,107,850	339,103	20,000	111,127	829,723	129,499	439,190	286,826	3,187,199	2,632,402	-220,000	-17,600	2,870,002	317,197		2,838,869	2,632,402	319,602	-220,000	2,867,591	745,190				
AVERAGE	100	75%	29,942	9,165	541	3,003	22,425	3,500	11,870	7,752	86,141	71,146	-5,946	-476	77,568	8,573		76,726	71,146	8,638	-5,946	77,502	20,140				

**Column Descriptions:**

- Study year.
- Kern River Index based on synthetic 37-year period and 105-year recurrence parameters for historical Kern River flows.
- Projected SWP allocation percentage based on synthetic 37-year period and DWR recurrence parameters published in 2002.
- Projected Kern River contract and miscellaneous quantity water delivered to RRBWSD by the City.
- Projected Kern River flood flows delivered to the District.
- Projected Friant-Kern flood flows delivered to the District.
- Projected Kern River flood flow deliveries made to the District's capacity on the Pioneer Project.
- RRBWSW's SWP entitlement of 29,900 AF/year multiplied times the allocation percentage in Column 3.
- Estimated purchases of SWP Article 21 water (average of 3,200 AF/year) and SWP Turnback Pool (average of 300 AF/year). Water is assumed to be available in increasing amounts in years of SWP allocation greater than 70 percent.
- Estimated safe yield calculated based on 39,580 developed acres multiplied times 0.3 acre-feet/acre.
- Additional water supplies to the RRBWSD from the Kern-Tulare and Arvin-Edison Banking programs. Appendix 2B, Column 5 + Appendix 2B, Column 9.
- Total Net RRBWSD Supply equal to the sum of Columns 4, 7, 8 and 9 (less 3% evaporation losses) plus Column 10 and Column 11.
- Estimated future consumptive use based on 2002 District crop survey for Year 1 of the study and assuming increasing urban development in the future.
- Return water deliveries made to MWD as a part of the District crop survey for Year 1 of the study and assuming increasing urban development in the future.
- Additional export losses for the GLC program (additional 3% for banking and 5% for out of county). From Appendix 2D, Column 5.
- Annual Water Demand equal to sum of Columns 13, 14 and 15.
- Annual Water Balance equal to Column 12 minus Column 16.
- Cumulative Water Balance equal to prior year Column 17. Initial water balance equal to Column 21 + Column 24.
- Annual Net In-District Supply equal to sum of Columns 4, 7, 8 and 9 (less 3% evaporation losses) plus Column 10 and Column 11.
- Total In-District Demand equal to Column 13.
- Cumulative In-District Water Balance equal to prior year Column 21 plus Column 19 minus Column 20. Initial balance equal to water balance from Appendix 1 less net 1995-2002 Kern River flood deliveries to District ((122,610 - 46,310) x 0.97).
- Total Exportable Supply equal to Columns 5 and 6 less 11% losses (6 percent banking and 5% out of county).
- Return water deliveries made to GLC. Same as Column 14.
- Cumulative Exportable Water Balance equal to prior year Column 24 plus Column 22 minus Column 23. Initial water balance equal to 1995-2002 Kern River flood deliveries to District (46,310 AF) less 11% losses.
- Annual In-District Recharge from Appendix 2A, Column 13.
- Annual Banking Returns from Appendix 2F, Column 5.
- Projected cumulative losses due to future operations of all proposed programs (from Appendix 2E, Column 6)