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April 15, 2020

Potential Water Purchase Opportunity for Semitropic Landowners with a District Turnout for Calendar Year 2020.

On April 8, 2020 the District Board of Directors, adopted a policy (described below) that provides for the potential sale of Banked Water stored on behalf of the District Banking Partners as identified below for delivery for irrigation use within Semitropic during the 2020 calendar year.

Eligible buyers must:

- Be a Landowner within the District.
- Have an assigned District Turnout.
- Be in good financial standing with the District.
- Execute any agreement(s) as required by District concerning the purchase (see paragraph 7 below) which shall include an indemnity in favor of the District.

If you are interested, please contact the Sellers below:

Homer LLC, Contact Information:

Contact: Dave Dorrance
Phone: 832-212-4589
Email: ddorrance@renewablegroup.com

Poso Creek LLC:

Lindsay Cederquist | Water Resource Manager
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Semitropic Improvement District

Buttonwillow Improvement District

Pond-Poso Improvement District

District Policy, April 8, 2020: Sale of banked water from a District Banking Partner to a District Landowner for Irrigation during the year of Purchase:

1. The District is to create a web page advertising the water purchase opportunity noting the contact information for the party interested in selling water such that our District landowners are aware of the opportunity.
2. The District is not to be involved with establishing price as this is a transaction between the District's Banking Partner (Seller) and a District Landowner (Buyer).
3. It was noted that the Buyers must understand and acknowledge all limitations of the water supply e.g., the type of water being acquired and the water once acquired from the Banking Partner for irrigation during the year acquired will be made available to the purchasing landowner on a schedule as dictated by the Banking Partner's share of the District's banking recovery operations and is subject to the Banking Partner's banking contract with the District.
4. The Banking Partner will recover the water to be transferred to a District Landowner under their respective rights as granted in the contract for banking with the District and will pay all fees as it pertains to the recovery of banked water under the contract with the District for banking with the point of delivery being a District Landowner. This will negate the need for payment for Arsenic treatment and will not require the energy to lift the water to the California Aqueduct.
5. Once the Buyer and Seller reach agreement, the buyer and seller are to provide written notice to the District of the transaction identifying the quantity of water to be recovered by the Banking Partner and transferred to the Buyer. Once the notice is received the District will provide the Banking Partner with an approximate schedule for the recovery of the water and the schedule as to when the water would be available for delivery to the Buyer.
6. The Buyer will be charged the standard wheeling fee as established by the District.
7. As a condition precedent to any transaction, Banking Partner and Buyer shall assume all risks and are solely responsible for obtaining any necessary approvals and compliance with all applicable legal requirements pertaining to the transaction, and shall sign all agreements deemed appropriate by the District in its sole and absolute discretion, which shall including appropriate indemnity, hold harmless and insurance protection in favor of the District. District shall not suffer any loss or be involved any disputes and makes no representations or warranties whatsoever regarding any such transaction.
8. Each transaction shall be subject to all District restrictions, requirements and obligations and then applicable provisions of the District's Consolidated Rules and Regulations for Distribution of Water.
9. The Board of Directors may rescind, suspend or modify this policy if it deems appropriate in its sole and absolute discretion.

DRAFT: Transaction Request Form

Note: Buyer and Seller are to complete and return the following to initiate the transaction request, upon receipt of the transaction request, the District will prepare a transaction agreement to be executed by the Seller, the Buyer, and the District.

Seller: _____

Buyer: _____

Quantity Acquired (Acre-feet): _____

Buyer Turnouts for Delivery of Purchased Water:

