

EXHIBIT 11-A

General Terms and Conditions of a Cooperation Agreement

- Recitals
- Definitions
- Injection Facilities: Injection will occur at the Santa Margarita ASR wells 1 and 2 (the “Point of Delivery.”) MPWMD shall retain exclusive ownership of all injection facilities. The Parties may agree to cost-share on any future injection wells.
- Extraction Facilities: MCWD will be solely responsible for developing extraction (production) facilities, or contracting with others for extraction. MPWMD will make its Santa Margarita water treatment facility available, subject to agreement with California American Water, as a possible option for treatment if extraction configuration supports it.
- Operations: MPWMD will be responsible for injection operations under its permit with the Regional Water Quality Control Board. MCWD will be responsible for extraction and treatment as regulated by the State Water Resource Control Board Division of Drinking Water.
- Water Rights: MCWD will represent that it owns the water designated for storage and is authorized to request storage.
- Storage Rights: The Parties will endeavor to negotiate a Storage and Recovery Agreement with the Watermaster. However, if such Agreement is not forthcoming, MPWMD will store on behalf of MCWD under its rights protected by the Superior Court adjudication decision.
- Measurement: All water furnished pursuant to the Agreement shall be measured by MPWMD at the Point of Delivery. Such measurement shall be with equipment chosen by MPWMD, installed by MPWMD on MPWMD facilities, and approved by MCWD in writing. All measuring equipment shall be installed, maintained, repaired and replaced by MPWMD. Measurement records of injection will be provided by MPWMD to MCWD monthly during injection operations.
- Water Quality Guarantee: All water delivered by MCWD to MPWMD to the Point of Delivery must meet the water quality requirements set forth in Applicable Law, including the Watermaster. MCWD will provide sufficient information to demonstrate that the water quality characteristics of the water being proposed for storage will meet all of the requirements imposed by any regulatory agency or agencies and the Watermaster. If at any time MCWD fails to meet the Water Quality Guarantee, MCWD shall give MPWMD immediate notice thereof and shall promptly meet with MPWMD to discuss the circumstances of such failure and a proposed action plan for remediation. Subject to such notice, MPWMD may immediately cease injection.

- Costs: MCWD will pay all costs associated with the operation of the ASR facilities on behalf of MCWD, including administration, operation, regulatory compliance, maintenance, repair, replacement, insurance, and depreciation. MPWMD will invoice MCWD monthly during injection operations.
- Water Charges: The Parties shall not impose any fee or other expense upon each other, except as provided for under “Costs,” above. However, the Parties will have the right to purchase water from each other at a rate (charge) to be determined at such time.
- Permits: The Parties agree to cooperate in acquisition of all regulatory permits and approvals required to undertake this agreement, including CEQA.
- Planning and Construction: The Parties may cooperate and share costs of planning and construction of any additional facilities.
- Term: 10 - 20 years
- Events of Default: TBD
- Arbitration: TBD
- Assignment: TBD