

SLDMWA Exhibit 3 – High Level Project Water, Acquired Project Water, Non-Project Water Concepts for Discussion

- Investors have discretion about which water goes in the Investor Share, given the choice (e.g. between Non-Project Water and Project Water)
- Investors have discretion re when water can be pulled out of the Investor Share
- Project Water
 - Quantity: up to 91taf
 - Use/Protection: Reclamation will not use Project Water in Investor Share to meet CVP purposes until all available federal supplies south of Delta, including those that can be made available at the Mendota Pool, have been used by Reclamation to meet CVP purposes.
 - Payback: If Reclamation takes Project Water in Investor Share to meet CVP purposes, Reclamation will reimburse a negotiated payment to the affected Investors based on a dollar amount or percentage of annual O&M/capital costs for the Project
 - Spill: N/A
- Acquired Project Water
 - Quantity: up to 91taf
 - Use/Protection/Payback: Reclamation will not use Acquired Project Water in Investor Share to meet CVP purposes until all available federal supplies south of Delta, including those that can be made available at the Mendota Pool, have been used by Reclamation to meet CVP purposes, and unless the Parties first mutually agree to water or monetary compensation, subject to appropriations, or a combination thereof, prior to its use.
 - Spill: In order to store Acquired Project Water in the Investor Share of the Expanded Reservoir, the Investors may displace Project Water stored in the Investor Share of the Expanded Reservoir, provided that there is in space in the Historic Reservoir or the Federal Share of the Expanded Reservoir for that Project Water.
- Non-Project Water
 - Quantity: up to 91taf
 - Use/Protection/Payback: Reclamation will not use Non-Project Water in Investor Share to meet CVP purposes until all available federal supplies south of Delta, including those that can be made available at the Mendota Pool, have been used by Reclamation to meet CVP purposes, and unless the Parties first mutually agree to water or monetary compensation, subject to appropriations, or a combination thereof, prior to its use.

- Spill: In order to store Non-Project Water in the Investor Share of the Expanded Reservoir, the Investors may displace Project Water stored in the Investor Share of the Expanded Reservoir, provided that there is in space in the Historic Reservoir or the Federal Share of the Expanded Reservoir for that Project Water. Investors request further technical discussion on ability of Non-Project water to displace Project Water to create Section 215 or 3(f) Water.

DISCUSSION DRAFT