



Westlands Water District

3130 N. Fresno Street, P.O. Box 6056, Fresno, California 93703-6056, (559) 224-1523, FAX (559) 241-6277

March 24, 2017

This notice contains important information about the following:

- **Agricultural Water Rate**
- **Rescheduled Water Cap**
- **2017-2018 Section 215 Water Purchase Agreement - Response May Be Required**

Agricultural Water Rate

As a result of the Bureau's announcement of an initial CVP south-of-Delta water allocation of 65 percent, District staff has revised the District's water rates for projected deliveries in the 2017-2018 water year. The District's O&M cost per acre-foot is \$15.86. The District's Agricultural Water rate is \$223.96 per acre-foot (aggregate cost out-the-meter). March deliveries will be billed at the revised rates.

In addition, the District anticipates a reduction in San Luis & Delta-Mendota Water Authority's (SLDMWA) O&M rate at its May Board meeting. With the announcement of the south-of-Delta initial allocation, the Authority can now move forward with calculating rates for the 2017-2018 water year based on the 2017-2018 initial water supply allocation announcement of 65 percent. Once the SLDMWA O&M rates are approved, the District will adjust the Cost of Service rate accordingly.

Rescheduled Water Cap

The District's share of the 150,000 acre-feet cap established by the Bureau of Reclamation on Rescheduled Water into the 2018 contract water year is approximately 100,000 acre-feet. This is intended to provide further clarification to the information presented in the March 23, 2017, Notice No. 498.

2017-2018 Section 215 Water Purchase Agreement - Response May Be Required

This is to notify water users that Section 215 water is available for use within the District. It is anticipated that this temporary supply will continue through April 30, 2017, but could be available beyond this date depending on hydrology and project operations. Section 215 refers to a section in the Reclamation Reform Act of 1982 which defines temporary water supplies that allows non-storable water to be applied to lands otherwise ineligible to receive federal water. This water is available because the federal portion of San Luis Reservoir filled on March 9, 2017, and CVP water demands in south-of-Delta service areas are less than the operational export capabilities at Jones Pumping Plant. The Section 215 water is considered an interruptible water supply and can be discontinued at any time due to fishery actions or hydrological conditions.

According to the Bureau of Reclamation's Rescheduling Guidelines, CVP contractors that have Rescheduled Water (Project water and acquired non-Project water) in San Luis Reservoir, and have not taken full delivery of such Rescheduled Water, will be required to forfeit an equal quantity of any Rescheduled Water they have remaining in San Luis Reservoir when the contractor delivers Section 215 water. Westlands water users can avoid loss of Rescheduled Water if water users can demonstrate that Section 215 water will satisfy additional demand.

This can be accomplished by a water user shutting off a groundwater well and delivering Section 215 water instead of groundwater. A water user will need to provide records demonstrating that the well was operating prior to the declaration of Section 215 water and submit meter records supporting that the well was shut down while the water user delivered Section 215 water.

Another option for demonstrating that Section 215 water is satisfying additional demand would be for water users to deliver all their Rescheduled Water. In-lieu of shifting to groundwater supply when their Rescheduled Water is depleted, water users can apply for Section 215 water. A water user will need to submit meter records supporting that all related wells serving the farmed ground were shut down while the water user delivered Section 215 water.

Attached is an agreement to request delivery of Section 215 water. Please provide the volume of water requested on the Amount Requested (AF) line of the agreement. The estimated cost of the Section 215 water is \$167.52, but the final price could be \$125 to \$135 per acre-foot depending on the reduction in the San Luis & Delta-Mendota Water Authority O&M rate, which currently is \$73.74 per acre-foot. Growers will be obligated to pay all fees for the Section 215 water they order. Section 215 water will be the first water delivered in a water user's account. We anticipate initiating delivery of Section 215 water in early April.

Your request for Section 215 water should be no greater than the groundwater well capacity that is being replaced.

If you need Section 215 water, please complete the enclosed agreement and return it to the Fresno office by close of business on March 31, 2017, or as soon thereafter as possible. The agreement may be mailed to Westlands Water District, P.O. Box 6056, Fresno, CA 93703, or faxed to (559) 241-6276. You may also hand deliver the agreement to the District's Fresno office at 3130 N. Fresno Street. Requests received after the District submits its initial request will be filled on a first-come, first-served basis.

If you have any questions concerning Section 215 water or Central Valley Project operations, please contact Jose Gutierrez at (559) 241-6215 or Russ Freeman at (559) 241-6241.

**2017-2018 AGREEMENT TO ACCEPT AND
PURCHASE SECTION 215 WATER**

Water User Name _____ Telephone No. _____

WWD Account No. _____ Amount Requested (AF) _____

I, herein, referred to as "Water User," hereby request that the District purchase on my behalf the amount of Section 215 water requested above for the March 2017-February 2018 Water Year and agree, as a condition of the allocation and furnishing of any Section 215 water during the water year and in accordance with the District's Regulations, policies, and applicable agreements, as follows:

1. To accept, if and when provided by the District, the total amount of Section 215 water requested herein. Notwithstanding the foregoing, the District will not allocate water to land for which charges or assessments have been delinquent for 30 days or more at the time water is allocated or to any land for which advance payment is required until such advance payment is received, or in lieu thereof security, in a form acceptable to the General Manager, for such payment has been provided.
2. To purchase the requested quantity of water if the District makes the water available. I understand, however, that I can revoke this agreement by written notice to the District, provided the District has not already agreed with other agencies to acquire water on my behalf.
3. Section 215 water will become available as it is acquired and is dependent on various factors, including excess capacity available in the CVP and State Water Project.
4. To pay the actual delivered cost of such water and to make all payments by the due dates specified in the District's Terms and Conditions for Agricultural Water Service.
5. The District, in its sole discretion and dependent upon actual water supplies, may withdraw water made available for allocation, and reduce my outstanding water request by the same amount, if any advance payment for such water is delinquent for 30 days or more.
6. That Section 215 water shall only be allocated and used if its use represents an actual increase in surface water demand that replaced groundwater and the water user can provide documentation of such, or a water user has depleted his Rescheduled Water.
7. Except as otherwise provided by the District, to remain liable to the District for any unused portion of the water unless the District is able to sell the water to another water user.
8. To comply with the Terms and Conditions for Agricultural Water Service and the Regulations for the Allocation of Agricultural Water, copies of which will be furnished upon request, both of which are incorporated herein as though set forth at length.
9. Allocation calculations will be based on the available supply and the number of water users that submit an agreement for Section 215 water. Each water user will receive a share of the supply, not to exceed the amount requested in the agreement.
10. The District will notify water user as to the amounts of water allocated to him and maintain a record of the revisions, if any, of his allocated water supply.
11. Section 215 water will be the first water delivered in a water user's account.

12. The District may use any funds held for the benefit of or on behalf of the water user to pay or offset any monetary obligation the water user has to the District.
13. I understand that allocation, use, and payment of this water are subject to Westlands Water District Regulations and the Terms and Conditions for Agricultural Water Service.
14. Water User hereby further agrees that there are no intended third party beneficiaries to this Agreement and nothing contained herein, expressed or implied, is intended to give to any person, partnership, corporation, joint venture, limited liability company or other form of organization or association any right, remedy or claim under or pursuant hereto, and any agreement or covenant required herein to be performed by or on behalf of the Water User or District shall be for the sole and exclusive benefit of the Water User or District.

Date _____ Print Name _____

Signature _____

Please complete this agreement and return it to the Fresno Office by close of business, March 31, 2017, or as soon thereafter as possible. Requests received after the District submits its initial request will be filled on a first-come, first-served basis. Mail it to: Westlands Water District, P.O. Box 6056, Fresno, CA 93703, or fax to (559) 241-6276.