



Westlands Water District

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

February 24, 2014

This notice contains important information about the following:

- **2013-2014 Rescheduled Water**
- **2013-2014 Supplemental Water Update**
- **2014-2015 Initial Central Valley Project Water Allocation**
- **2014-2015 Supplemental Water Application – Response May Be Required**
- **2014-2015 Canal Integration Program – Response May Be Required**
- **2014-2015 Budget, Water Rates and Charges Approved**
- **Reclamation Law Forms Reminder**
- **Lease of District Owned Land**
- **PG&E Customer Incentive Programs**
- **Annual Water User Workshop**

2013-2014 Rescheduled Water

With the Bureau of Reclamation's announcement last month that it will not impose limitations on rescheduling of unused Project water and Non-Project water stored under Warren Act contract in the San Luis Reservoir, the District expects that there will be unlimited opportunity to reschedule water into next year based on Reclamation's current Rescheduling Guidelines and the projection that the Reservoir will not fill this year. At the end of January, District water users had remaining supplies of approximately 216,000 acre-feet (AF). If demands for water and transfers into the District follow current projections through February, the District will likely have about 222,000 acre-feet of water in San Luis Reservoir on March 1, 2014.

Based on current storage levels in the Reservoir (359,000 AF as of February 20, 2014), staff does not expect Rescheduled Water deliveries to be limited prior to August 31, 2014. If there are restrictions on Rescheduled Water use, such restrictions would likely occur after September 1, 2014. Staff will be tracking San Luis Reservoir storage and deliveries very closely throughout the water year and will keep water users apprised of its status.

2013-2014 Supplemental Water Update

The District received timely applications for 2013-2014 Supplemental Water totaling approximately 263,000 AF on 384,000 acres. The District has acquired approximately 158,600 AF of water supply to partially meet the requests from water users. The District estimates the delivered cost to water users will be \$375 per AF, but the cost may increase as the District continues to pursue additional supplies. Advance payment for the acquisition costs of the water is required at the time of allocation, while conveyance related costs will be billed when the water is used.

Based upon acquisition totals of approximately 155,000 to 160,000 AF, District staff estimates that water users could receive up to 0.452 to 0.473 AF/acre, or a lesser amount if requested, on the irrigable acres represented by the water user account listed on the application. These amounts are only an estimated projection of the annual Supplemental Water allocation based on current information available.

Allocation of Supplemental Water began in April, and the timing and amounts of expected allocations for the year are shown in the table below.

Allocation Month	AF Amount
April – Actual	48,057
May – Actual	1,387
June – Actual	1,313
July – Actual	25,000
August – Actual	31,854
September – Actual	0
October – Actual	0
November – Actual	27,397
December – Actual	12,128
January – Actual	8,957
February – Estimated	2,500

The schedule will be updated monthly to reflect additional supplies and/or changes to the timing for delivery.

2014-2015 Initial Central Valley Project Water Allocation

On February 21, 2014, the Bureau of Reclamation announced an initial allocation for south-of-Delta CVP agricultural water service contractors of 0%. District staff expects that the allocation will likely remain zero unless the hydrology changes and the season ends with average or better precipitation. The District will provide additional notice to water users if the allocation does change.

In its February announcement of 2014 CVP water supply conditions, Reclamation reported that the Project has approximately 4.6 million acre feet of water in key reservoirs; this represents approximately 59% of the 15 year average. Storage in Shasta Reservoir is approximately 1.7 million acre-feet (54% of 15 year average). Federal storage in San Luis Reservoir is approximately 359,000 acre-feet (46% of 15 year average). Jones pumping plant recently operated at about 60% due to improved water quality conditions in the Delta, but is expected to drop back down to 20% next week.

2014-2015 Supplemental Water Application - Response May Be Required

The District will acquire Supplemental Water from multiple sources for the 2014-2015 water year. Water purchased will be combined and one blended rate established. The District estimates the delivered cost to water users will be in the range of \$600-\$1,000 per acre-foot. Advance payment for acquisition costs of the water is required at the time of allocation, while conveyance related costs will be billed when the water is used. Water users will be notified of the amount of the allocation advance payment requirement later in the year when acquisition costs are more firm. The allocation advance will apply toward the delivered water rate. The water will be allocated to water user accounts as Project water or non-Project water (if available), allowing Full-Cost rates to be applied as required by Reclamation law. The District does not anticipate allocations of Supplemental Water to be made until after September 2014.

When the District makes monthly allocations of Supplemental Water, the quantity of water allocated to an account will be a pro-rata quantity of the total water available to the District that month. Proration is based on the number of irrigable acres associated with accounts that have outstanding requests. When an account's

supplemental request has been fulfilled, it will no longer receive allocations, and the irrigable acres associated with that account will not be included in the basis used to pro-rate subsequent allocations. Accordingly, water users with relatively high per acre requests will receive the bulk (increment above the pro-rata amount) of their request later, if water is available.

If you need Supplemental Water, please complete the enclosed agreement and return it to the Fresno office by close of business on March 31, 2014. The agreement may be mailed to Westlands Water District, P.O. Box 6056, Fresno, CA 93703, but agreements not received at the District by the due date will not be considered timely (regardless of the postmark). You may also hand deliver the application to the District's Fresno office at 3130 N. Fresno Street. Requests received after the deadline will receive a lower priority for allocations and will be filled on a first-come, first-serve basis. Please direct questions to your Customer Accounting Technician at (559) 241-6250.

2014-2015 Canal Integration Program – Response May Be Required

The Board of Directors will consider implementing a Canal Integration Program to convey non-Project groundwater in the San Luis Canal in 2014. Staff was directed to develop a proposal for the Program. To assist in this effort, water users that are interested in participating in the Program should complete the attached survey and return it to the District by March 7, 2014. Please direct any questions to Israel Sanchez at (559) 241-6237.

2014-2015 Budget, Water Rates and Charges Approved

At the February 18, 2014 meeting, the Board of Directors approved the 2014-2015 budget, water rates, and charges. The budget totals \$115,218,500 and will be revised when the final water supply is determined, if warranted. The budget provides funds for water and power purchases and the operations, maintenance and administrative activities of the District. The budget also includes funding for coordination with other agencies and contractors on water supply matters and drainage activities; Delta conservation and conveyance plans; legal challenges to our water supplies; and Ag discharge coalition requirements.

The water rates and charges are based upon 275,187 acre-feet of water from all sources. With this total supply, the District O&M rate is \$62.06 per acre-foot. The Board also approved land-based charges for long-term water supply debt service, District water supply debt service, extraordinary repairs of distribution system pipelines, operations and maintenance costs based on attributes of the land. A drainage service area land-based charge was approved to cover the associated litigation. The land-based charges will be billed in May, with a portion due May 25, 2014, and the remainder due September 25, 2014. The water rates and charges are still subject to formal adoption at the Proposition 218 hearing set for April 15, 2014.

Water users should also note that approved Account Monitoring Charges include a charge of \$11,989 each month any amount of billed overuse occurs, and \$596 for those who are subject to Advance Payment monitoring. Water users can avoid these charges by discontinuing water use when their water supply is exhausted, and making payments timely in compliance with District regulations. Tools are available on the customer section of the District's website to help water users determine when they will run out of water. Contact your Customer Accounting Technician if you need assistance with website data or to establish a secure login.

The complete list of rates, charges and credits will be available on the District's website at www.westlandswater.org. From the home page, point to the *Water & Power* tab and click on the *Water Rates* tab.

Reclamation Law Forms Reminder

Reclamation Law Forms were due to the District on February 1, 2014, and are now considered late. Lands will be ineligible for water service in the new water year until all forms are submitted and processed by the District. All forms will be processed on a first come, first serve basis. Water users with leases may want to check with their landowners to make sure they submitted their forms. If you have not already turned in your forms please do so immediately. Please direct questions to Customer Accounting at (559) 241-6250.

Lease of District Owned Land

The District has land available for lease in Fresno and Kings Counties. For a detailed list of available land, please contact Cork McIsaac of Agriculture Industries, Inc. at (916) 372-5595 or (800) 822-1415.

PG&E Customer Incentive Programs

Pacific Gas and Electric Company (PG&E) is funding the Advanced Pumping Efficiency Program (APEP) through 2014 using Public Purpose Programs Funds under the auspices of the California Public Utilities Commission. The APEP is available to PG&E customers on a rate schedule that includes the Public Purpose Program charge. PG&E will host a workshop to discuss APEP on February 27th at Jack Stone's Barn at 20671 Lacey Boulevard in Lemoore. Please RSVP by Phone (559) 263-5575 or Email PSR6@PGE.COM.

Annual Water User Workshop

The annual water user workshop will be held on Tuesday, March 18, 2014, at 1:30 p.m., at the District's Five Points Field Office. District staff will provide updates on District activities and other matters. An agenda for the workshop is attached.

**2014-2015 AGREEMENT TO ACCEPT AND
PURCHASE SUPPLEMENTAL WATER**

Water User Name _____ Telephone No. _____

WWD Account No. _____ Amount Requested (AF) _____

- I request **only** supplemental non-Project water.
- I will take **either** supplemental non-Project or supplemental Project water.
-
-

I, herein referred to as "Water User", hereby request that the District purchase on my behalf the amount of water requested above for the March 2014 – February 2015 Water Year and agree, as a condition of the allocation and furnishing of any agricultural water during that 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 Supplemental 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. Water will become available as it is acquired and is dependent on various factors, including excess capacity available in the Central Valley Project and State Water Project.
4. To pay the actual delivered cost of Supplemental Water, to make advance payment for such water purchased on my behalf by the District at the time payment is requested and to make all payments by the due dates specified in the District's Terms and Conditions for Agricultural Water Service.
5. 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 or the water has been transferred to another water user.
6. 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.
7. Allocation calculations will be based on irrigable acres as determined by U. S. Consolidated Farm Service Agency measurements.
8. 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.
9. The District may use any funds held for the benefit of or on behalf of Water User to pay or offset any monetary obligation Water User has to the District.

10. 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 Water User or the District shall be for the sole and exclusive benefit of Water User or the District.

Date _____ Print Name _____

Signature _____

Please complete this agreement and return it to the Fresno Office no later than close of business, March 31, 2014. Mail it to: Westlands Water District, P.O. Box 6056, Fresno, CA 93703. Requests postmarked, but not received by the due date with the required deposit are not considered timely.

Interested Water Users

2014-2015 CANAL INTEGRATION PROGRAM

District staff is preparing a proposal for the Board of Director's consideration to implement a **Canal Integration Program (CIP)** for the spring/summer of 2014. The CIP involves pumping groundwater into the San Luis Canal (SLC) for a water credit that may be transferred or used elsewhere in the District. The District intends to propose a program that may include the following components:

1. Quantity: The Department of Water Resources (DWR) and/or the Westlands Board of Directors may place limits on the total amount of groundwater that CIP participants pump into the SLC. The pump-in program will likely include monthly limits tied to the amount of water flowing in the SLC.
2. Duration: The program could begin as early as April and end on September 30, 2014.
3. Mitigation: DWR may require participants to provide a percentage of the groundwater pumped in for use by State Water Contractors as mitigation.
4. Charges: District will collect charges, including District O&M and Water Delivered Benefit, DWR fees (conveyance, facility testing, and administration), and water quality testing.
5. Approval: All wells used by participants for the CIP must be approved by DWR.
6. Agreement: Program participants will be required to sign CIP agreement that may include terms imposed by DWR.
7. Water Quality: The program will set water quality standards similar to the 2008 pump-in program (listed below and subject to Board approval).

Constituent	Maximum Contaminant Level (MCL)
Arsenic	10 ppb
Nitrate (as NO3)	45 ppm
Sulfate	600 ppm (possible reduction to 500 ppm)
Total Dissolved Solids	1,100 ppm (possible reduction to 800 ppm)
Boron	2 ppm
Bromides	TBD
Chromium VI	TBD

Since the District will be limited on the amount of groundwater that may be pumped into the SLC, District staff needs to develop a schedule that will summarize the planned operation for each participating well. If it is determined that interest from water users exceeds the monthly limit or the total maximum, then staff will prorate participation based on water quality, well capacity, and other factors as approved by the District's Board. For this reason it is imperative that the District receive your response. **Please complete the following table with your planned schedule. If the District receives no response by March 7, 2014, your ability to participate may be forfeited. Please Fax your response(s) to: Israel Sanchez at (559) 241-6277.**

Water User Name: _____

Well Location (ex. SW, SW, Sec. 15, T15S, R15S)	April (AF)	May (AF)	June (AF)	July (AF)	August (AF)	September (AF)

Westlands Water District Annual Water Users' Workshop

Tuesday, March 18, 2014

1:30 p.m.

Westlands' Five Points Shop and Field Office

Program

Welcome

*Don Peracchi, President
Board of Directors*

Introductions, Opening Comments and Matters of Interest

Tom Birmingham, General Manager

Water Supply Outlook for 2014-2015 CVP Allocation, Rescheduling & Transfers

Jose Gutierrez, Deputy General Manager – Resources

2014-2015 Adopted Budget, Water Rates, Charges & Assessments

Bobbie Ormonde, Director of Finance & Administration

Groundwater Conditions

Jose Gutierrez

Questions & Answers

Tom Birmingham