July 17, 2014

This notice contains important information about the following:

- 2014-2015 CVP Water Supply Update
- 2014-2015 Supplemental Water Supply Update
- Update on Canal Integration Program
- Long Term Irrigated Lands Regulatory Program (LTILRP) Enrollment
- Water Ordering Procedures for Groundwater Management and Temporary Diversion Programs
- Lands Available for Lease
- Department of the Navy Agricultural Lease

2014-2015 CVP Water Supply Update

The Bureau of Reclamation’s allocation for south-of-Delta CVP agricultural water service contractors has not changed and will remain zero for this contract year.

2014-2015 Supplemental Water Supply Update

The District has received timely Supplemental Water applications for approximately 248,000 acre-feet on 370,000 acres. The District believes that it can acquire approximately 75,000 acre-feet of Supplemental Water, although the efforts to acquire additional water are ongoing. The majority of Supplemental Water is being acquired from north of the Delta and will be pumped between July and September. For water that is acquired, the District estimates that the delivered cost to water users will be in the range of $800-$1,100 per acre-foot. Advance payment for the acquisition cost of the water is required at the time of allocation. Based upon acquisition totals of 75,000 acre-feet, District staff estimates that water users could receive up to 0.202 AF/acre, or a lesser amount if requested, on the irrigable acres represented by the water user account listed on the application. This amount is only an estimated projection based on current information available.

The District has made available for allocation to applicants 5,900 acre-feet of Supplemental Water to date. This amount was the result of a decision on July 8 by the District’s Finance & Administration Committee to pre-allocate Supplemental Water in the month of July, due to the overall lack of water supply available to water users.

Current conditions in the Delta (e.g. high salinity, outflow standards, etc.) are limiting operations of the Jones Pumping Plant and are preventing export of the District’s Supplemental Water. Staff will continue monitoring exports and, if pumping increases, the Finance & Administration Committee will consider additional pre-allocations of Supplemental Water in late July or early August.
Update on Canal Integration Program

The District has entered into a conveyance agreement with Department of Water Resources (DWR) for conveyance of groundwater in the San Luis Canal. Water users who wish to participate must confirm that their well(s) meet water quality requirements, have DWR approved injection facilities in place and sign a conveyance agreement with the District. Interested water users should contact Israel Sanchez at (559) 241-6237.

Long Term Irrigated Lands Regulatory Program (LTILRP) Enrollment

Sixty percent of all land owners representing 90 percent of irrigable land within the District is enrolled in the District's third party coalition. As required by the LTILRP General Order, the District will submit the Coalition's roster to the Regional Water Quality Control Board by August 13, 2014. If you are not enrolled in the Coalition, the Regional Board will contact you regarding enrollment as an individual discharger. To avoid being regulated as an individual discharger or being charged a late fee by the Regional Board, please contact Charlotte Gallock at (559) 241-6244 regarding enrollment in the District's third party coalition.

Water Ordering Procedures for Groundwater Management and Temporary Diversion Programs

Water users that participate in the Groundwater Management and/or the Temporary Diversion Programs are required to place their water orders 3 days in advance, in accordance with the District's Terms and Conditions of Agricultural Water Service. The Terms and Conditions also apply to water delivered under these programs.

The District's programs utilize energy from the Western Area Power Administration (WAPA) Base Resource Contract. Because the energy available under the District’s contract is rarely enough to cover energy demands of the programs, the District seeks to cover the balance of the demands by ordering the delivery of energy to the “grid” from long-term purchase contracts. To the extent that actual usage does not match this order, the District is either purchasing additional power or disposing of excess purchased power on the spot market. The spot market is often unfavorable for either purchasing or selling power and, as a result, increased costs are incurred.

It is important that water users comply with the ordering procedures to ensure that the District’s request for power to operate your facilities is accurate. Failure to place timely “on” or “off” orders will result in inaccurate power requests and higher power costs to each of these programs and their participants.

Lands Available for Lease

The District has several parcels for lease. For a list of available land, please contact Cork McIssac of Agriculture Industries, Inc. at (916) 372-5595 or (800) 822-1415.

Department of the Navy Agricultural Lease

Naval Facilities Engineering Command Southwest has provided the enclosed announcement informing interested bidders about a Department of the Navy Agricultural Lease at Naval Air Station Lemoore. Please use the contact information in the letter if you have any questions about this agricultural lease program.
DEPARTMENT OF THE NAVY
ADVERTISEMENT FOR BIDS TO LEASE GOVERNMENT LANDS
FOR AGRICULTURAL PURPOSES

1. The Department of the Navy, Naval Facilities Engineering Command, Southwest, proposes to lease Government owned land for agricultural purposes located at the Naval Air Station, Lemoore, California, under the process and terms outlined in the Invitation for Bid.

2. Sealed bids must be received at Naval Facilities Engineering Command Southwest, ATTN: Ms. Kimberly Spencer, Desert IPT Real Estate, Code JV10.KS, 1220 Pacific Highway, Building 130, San Diego, California, 92132-5190, by 2:30 P.M., Pacific Daylight Time (PDT), on August 12, 2014. Bids will be opened promptly at 2:30 P.M. (PDT). No bids will be accepted after 2:30 P.M. FAX COPIES OF BIDS WILL NOT BE CONSIDERED RESPONSIVE.

3. DESCRIPTION OF PROPERTY

<table>
<thead>
<tr>
<th>Parcel</th>
<th>Farmable Acres</th>
<th>IFB Number</th>
<th>Lease Term</th>
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<tbody>
<tr>
<td>4A29</td>
<td>+/- 292.3</td>
<td>N6247314RP101</td>
<td>September 1, 2014- December 31, 2015 (1 Year, 4 months)</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Option Period 1: Jan 1, 2016-Dec 31, 2016 (1 Year)</td>
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<td>Option Period 2: Jan 1, 2017-Dec 31, 2017 (1 Year)</td>
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<td></td>
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<td>Option Period 3: Jan 1, 2018-Dec 31, 2018 (1 Year)</td>
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<td></td>
<td></td>
<td></td>
<td>Option Period 4: Jan 1, 2019-Dec 31, 2019 (1 Year)</td>
</tr>
</tbody>
</table>

4. Bid package and instructions will be posted electronically on Navy Electronic Commerce Online (NECO). Interested bidders can view bid package by parcel number and, if interested, review the bid package and instructions. Interested bidders will then print and complete the bid form and return under the Sealed Bid process.

5. Interested bidders should go to the following NECO website: https://www.neco.navy.mil/ and proceed with the following steps:
   a. Search Synopsis
   b. Under NAICS Code scroll down to: "111 - Crop Production"
   c. Click on "Search" at bottom of page.
   d. Click on "NAS Lemoore, Parcel 4A29."
   e. Click on "View Solicitation."
   f. Under the Line Items section, download the file listed.
   g. The Invitation for Bid documents must be reviewed thoroughly.
   h. Print the Bid Form, which is included in the downloaded file.
   i. Complete and submit Bid Form according to all instructions outlined in the Invitation for Bid.

6. If you have any questions, please contact Ms. Kimberly Spencer, Realty Specialist, at (619) 532-3918 or via email at kimberly.spencer@navy.mil

7. The Department of the Navy reserves the right not to award the Lease.