



Westlands Water District

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February 19, 2010

This notice contains important information about the following:

- **Rescheduled Water Update**
- **2009-2010 Supplemental Water**
- **2010-2011 Initial Central Valley Project Water Allocation**
- **2010-2011 Supplemental Water**
- **2010-2011 Budget, Water Rates and Charges Approved**
- **Water Ordering Procedures for Groundwater Management and Temporary Diversion Programs**
- **Water Orders Via the Website**
- **Reclamation Law Forms Reminder**
- **Annual Water User Workshop**

Rescheduled Water Update

District staff is projecting up to 255,752 acre-feet of water will be unused at year-end and carried over to next year. This total includes a combination of 2009-2010 CVP Contract supply that will be rescheduled under Reclamation's guidelines and Supplemental Water acquisitions stored in San Luis Reservoir under Warren Act contracts with Reclamation. Reclamation's rescheduling fee is \$6.40 per acre-foot. The charge for storage of the Supplemental Water has not yet been determined.

Under the rescheduling guidelines this year, the total amount of water that may be carried over in SLR cannot exceed the actual quantity of CVP storage in the Federal share of the reservoir at the end of the contract year. Presently, the Federal storage amount is about 691,000 acre-feet, and the total amount of water projected to be rescheduled by San Luis & Delta-Mendota Water Authority contractors is 405,000 acre-feet. Therefore, based upon the guidelines and the amount of water to be rescheduled and/or stored in SLR, there will be no restrictions on the 2009-2010 rescheduled water.

2009-2010 Supplemental Water

The District has allocated 148,346 acre-feet to water users, based upon timely applications which total 155,522 acre-feet. The District has now been informed by Reclamation that our remaining Supplemental Water to be allocated to water users with timely requests, about 7,176 acre-feet, has not been pumped into San Luis Reservoir yet. So, when capacity to pump the water becomes available (sometime this summer) it will be allocated to those water users with timely outstanding 2009 applications. Water users remain financially responsible for this remaining Supplemental Water.

2010-2011 Initial Central Valley Project Water Allocation

The Bureau of Reclamation has not yet announced an initial 2010-11 allocation for CVP water service contractors. The District expects that Reclamation will make an initial allocation in the next ten days and that it will be in the 0-10 percent range.

Pumping during the first part of January was restricted to meet water quality requirements in the Delta. During the later part of January, restrictions on the reverse flow of Old and Middle Rivers were implemented under the Biological Opinion for protection of salmonids. The water contractors were successful in obtaining a Temporary Restraining Order to prevent continued implementation of the Salmon BO, and pumping at Jones was increased to near capacity for a period of 5 days. The presence of Delta Smelt has since caused a reduction in pumping and further reductions appear certain. A similar request for a TRO regarding the Delta Smelt BO was denied.

Shasta Reservoir has seen an increase of approximately 1 million acre-feet in the last month and is now just slightly below historical average. The Federal share of San Luis Reservoir is at 691,000 acre-feet, about 84 percent of normal, compared to 317,000 acre-feet at this time last year. However, 405,000 acre-feet of the water in the Federal share of the reservoir is 2009-2010 CVP contract water that will be rescheduled and Supplemental Water purchased this past year and stored under Warren Act contracts.

2010-2011 Supplemental Water

Water users submitted timely applications for just over 157,000 acre-feet of Supplemental Water on about 311,600 acres. The District is pursuing acquisitions of supplies totaling between 50,000 - 100,000 acre-feet, so the estimated acre-feet per acre allocation may range from 0.16 to 0.32. The ultimate quantity of water acquired will depend on CVP and SWP water allocations and pumping capacity to move water through the Delta during July through September. The District has projected that the delivered cost to water users will be approximately \$410-\$460 per acre-foot.

2010-2011 Budget, Water Rates and Charges Approved

The Board of Directors approved the 2010-2011 budget, water rates, and charges at its February 16, 2010 meeting. The budget totals \$122,563,600 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; ESA regulatory matters; Delta conservation and conveyance plans; legal challenges to our water supplies; evaluation of water supply projects that could increase the quantity or enhance the reliability of District supplies; and Ag discharge coalition requirements.

Water rates and charges are based upon 264,597 acre-feet of water from all sources. With this total supply, the District O&M rate is \$53.30 per acre-foot. The Board also approved land-based charges for long-term water supply debt service, District water supply debt service, and extraordinary repairs of distribution system pipelines. Additionally, four new operations and

maintenance land-based charges approved this year will be collected based on attributes of the land. The land-based charges will be billed in March, with a portion due March 25, 2010, and the remainder due September 25, 2010.

Water users should also note that approved Account Monitoring Charges include an overuse charge of \$11,755 each month any amount of billed overuse occurs, and \$1,114 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 web site to help water users determine when they will run out of water. Contact your Accounting Technician if you need assistance with web site data or to establish a secure login.

Also, water users and landowners who are making decisions about the purchase, sale or transfer of water should keep in mind the Water Allocation Benefit charge, which is billed to the water user of record as of July 1, annually, on the assessable land which received any CVP water allocation between March 1 and June 30. If you become the water user after water has been allocated for the property in question, you will be obligated to pay the charge even if you did not receive any water. Please direct questions about the charge to Customer Accounting at (559) 241-6250.

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.

Water Ordering Procedures for Groundwater Management and Temporary Diversion Programs

The District's Terms and Conditions for Agricultural Water Service states "All water shall be delivered pursuant to a request by the water user for the delivery of a specific flow rate to a specific parcel of land. The request shall be made within the time and in the manner prescribed by the General Manager."

These Terms and Conditions also apply to water delivered under the Groundwater Management and the Temporary Diversion Programs. It is critical that water users comply with the ordering procedures to insure that the District's request for power to operate these 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.

The aforementioned programs utilize energy from the District's 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 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 the excess purchased power on the spot market. The spot market is often unfavorable for either selling or purchasing power and, as a result, any increased costs are passed on to program(s) participants. For this reason, the District strives to maintain a daily order that is accurate.

Water Orders Via the Website

Water users who place their water orders via the website can now place orders until 10 a.m. for water to be used the following day. The deadline for fax and phone water orders remains at 9:30 a.m. Website water orders are processed by the District's Water Management Information System and require little staff interaction, allowing water users this later deadline.

Using either method above, water users are encouraged to order in advance of use and by the established deadlines. After daily order taking is complete, District staff compiles the orders, prepares reports, and submits the information to the State of California and District field offices. The water order deadlines are necessary because the information must be communicated timely to those who use it to operate the water delivery system.

The website is located at <http://www.westlandswater.org>. Water users may contact their accounting technician at (559) 241-6250 to set up a secure login or for assistance in using the various features of the customer section.

Reclamation Law Forms Reminder

Please return your annual Reclamation Law Reporting and/or Certification Forms to the District. Water users with leases may want to check with their landowners to make sure they received the form(s) and will return them by the deadline. Lands will be ineligible for service in the new water year until the forms are submitted. Please direct questions to the Customer Accounting Department at (559) 241-6250.

Annual Water User Workshop

The annual water user workshop will be held on Tuesday, March 16, 2010, at 3:30 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.

Westlands Water District Annual Water Users' Workshop

Tuesday, March 16, 2010

3:30 p.m.

Westlands' Five Points Shop and Field Office

Program

Welcome

*Jean Sagouspe, President
Board of Directors*

Introductions, Opening Comments and Matters of Interest

Tom Birmingham, General Manager/General Counsel

Water Supply Outlook for 2010-2011 CVP Allocation, Rescheduling & Transfers

Tom Glover, Deputy General Manager – Resources

2010-2011 Adopted Budget, Water Rates, Charges & Assessments

Charlotte Dahl, Director of Finance & Administration

Groundwater Conditions

Tom Glover

Questions & Answers

Tom Birmingham