



Westlands Water District

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

July 8, 2010

This notice contains important information about the following:

- **2010-2011 Agreement to Participate in the Exchange of Water with Metropolitan Water District of Southern California – Action May Be Required**

2010-2011 Agreement to Participate in the Exchange of Water with Metropolitan Water District of Southern California – Action May Be Required

The District and Metropolitan Water District of Southern California (Metropolitan) (collectively, Parties), have historically cooperated on mutually advantageous water management programs. In the 2010-2011 water year, the District seeks to reduce the risk of spilling and losing its Central Valley Project (CVP) water supplies stored in San Luis Reservoir (SLR) by entering into an exchange with Metropolitan. Westlands currently has approximately 100,000 acre-feet of CVP supplies stored in SLR above its anticipated 2010-2011 water demands. Metropolitan also intends to carry over approximately 200,000 of SWP supplies in SLR, which could also be subject to spill.

Proposed Terms and Conditions of the Exchange:

1. **Water Exchange** – Metropolitan will take delivery of a minimum of 50,000 acre-feet and up to 100,000 of the District's water supplies stored in SLR prior to February 28, 2011. Deliveries above 100,000 acre-feet will be made at Metropolitan's and the District's discretion. For every 3 acre-feet the District delivers to Metropolitan, Metropolitan will return 2 acre-feet at a mutually agreeable rate between July and September 2011.
2. **San Luis Reservoir Spill Provisions** – If Metropolitan spills either its own water supplies or exchange supplies from SLR, the Parties will share the risk of the spilled water supply on a proportional basis. For example, if on the date the exchange agreement is executed Metropolitan has 100,000 acre-feet of its own water supplies stored in SLR and also commits to receive delivery of 100,000 acre-feet of the District's SLR supplies, any spilled water would be shared on a 50/50 basis. Accordingly, if 50,000 acre-feet spilled, Metropolitan's return obligation would be reduced by 50% of the 50,000 acre-feet which spilled, or 25,000 acre-feet.
3. **Point of Delivery** – The point of delivery will be San Luis Reservoir.
4. **Water Rights Permitting** – The Parties will work cooperatively with the Department of Water Resources and U.S. Bureau of Reclamation to ensure the proposed water exchange is included in the pending 2010-2011 Consolidated

Place of Use Petition and is not subject to Central Valley Project Improvement Act fees or Reclamation Law limitations.

5. **Environmental Compliance** – Metropolitan will be responsible for preparing necessary documentation to comply with CEQA/CESA at its own cost. The District will be responsible for preparing necessary documentation to comply with NEPA/FESA at its own cost.
6. **Approvals** – The Parties' performance under this exchange agreement will be contingent on the Parties obtaining any necessary approvals.

For water users that participate in this exchange, water will be removed from their accounts by type based upon the established order of use. Water users should expect to be billed the acquisition cost of water by water type at the time water is removed from accounts plus any additional costs for the exchange as incurred by the District. When water is returned in 2011-2012, water users will pay the applicable District O&M, conveyance O&M and pumping rates.

If you wish to participate in the exchange, please complete the enclosed agreement and return it to the Fresno office by close of business on July 16, 2010. 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 participation and will be filled on a first-come, first-served basis. Please direct questions to Tom Glover at (559) 241-6215 or Russ Freeman (559) 241-6241.