



Westlands Water District

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

February 17, 2011

This notice contains important information about the following:

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- **2010-2011 Water Supply Update**
 - **Rescheduled Water**
 - **Section 215 Water**
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February 15 Board Report

Sarah Woolf Appointed to Board of Directors

The Board appointed Sarah Woolf to fill the vacancy on the board left by Jean P. Sagousse's resignation last month. Ms. Woolf's appointment will expire in December 2011.

2010-2011 Water Supply Update

Rescheduled Water

At the end of January, water users had remaining supplies of approximately 185,000 acre-feet, and based upon current demand for water the District may have up to 130,000 acre-feet remaining at the end of the water year. San Luis Reservoir filled on February 6, 2011. Water users may want to consider the 2011-2012 CVP water supply outlook when planning their water use for the remainder of this water year and the rescheduling period in 2011.

Under Reclamation's rescheduling guidelines, once San Luis Reservoir experiences 3 days of sustained drawdown, loss will be applied to Rescheduled Water. The exact date sustained drawdown will begin is uncertain, but is expected on April 1 to coincide with reduced Delta pumping for the protection of Steelhead. District staff recommends water users reschedule only the quantity of water they are able to deliver between March 1 and April 1 or earlier.

Water users are reminded that the District's Rescheduled Water Policy provides that any loss of Rescheduled Water will be apportioned in the following order and manner:

- 1) Any remaining Rescheduled Water in excess of the Acreage Based Cap.
- 2) Water rescheduled by the District.
- 3) Remaining Rescheduled Water.
- 4) Delivered Rescheduled Water in excess of the Acreage Based Cap.
- 5) Delivered Rescheduled Water within the Acreage Based Cap.

In response to some questions received about these loss provisions, one can see that the Acreage Based Cap of 0.5 acre-feet per irrigable acre is not secure from loss. Also of note, the policy states water users shall pay all water costs that the District incurs, the San Luis & Delta-Mendota Water Authority O&M rate and any applicable District rates. Further, Reclamation's rescheduling fee of \$6.32 is not refundable if water is rescheduled and lost. For CVP Interim Contract water, the District (and, therefore, water users) does not incur the Cost of Service rate, Restoration Fund and Trinity PUD rates if this water is not delivered.

Section 215 Water

Earlier this month, Reclamation announced the availability of Section 215 water for south-of-Delta water service contractors. The Section 215 water is currently available through the end of February and may continue to be available in March, depending upon the ability of Jones Pumping Plant to continue to pump non-storable water.

The District has been accepting applications for Section 215 water and will continue to do so as long as the water is available. Requests will be filled on a first-come, first-served basis. An application form is attached to Landowner Notice No. 326 on the News and Information page of the District website (www.westlandswater.org) or water users may contact their Customer Accounting Technician at (559) 241-6250.

Suspension of Financial Provisions Related to Overuse of Water Supply

To provide flexibility to water users in their efforts to deliver their remaining water supply and to discourage groundwater pumping, the District is immediately suspending or otherwise relaxing the financial provisions related to the overuse of water supply for the current month of February. Accordingly, the Overuse Monitoring charge is suspended and the Overuse of Water Supply charge is reduced from \$400 to \$112.40 per acre-foot delivered. Water users must cover any overuse incurred during February by March 31, 2011, and the delivered rate will be adjusted according to the water type acquired to cover the overuse. District staff will continue to monitor exhaustion of water user supplies and inform water users when they approach exhaustion.

2011-2012 Initial Central Valley Project Water Allocation

The Bureau of Reclamation has not yet announced an initial 2011-2012 allocation for CVP water service contractors. The District expects that Reclamation will make an initial allocation during February and that it will be in the 45 - 50 percent range.

Pumping at Jones has not been restricted because there has been ample flow in the Delta, and this contributed to the early filling of the Federal share of San Luis Reservoir. Shasta Reservoir storage is at about 3,500,000 acre-feet, which is about 109 percent of normal and about 700,000 acre-feet higher than this time last year. Seasonal precipitation in the northern part of the state is about 115 percent of average for this date, and precipitation in the San Joaquin watershed is about 154 percent of average for this date.

2011-2012 Supplemental Water Purchase Agreement - Response may be required

The District may acquire Supplemental Water from limited sources for the 2011-2012 water year. It is expected that most of the Supplemental Water acquired will be Project water, but the District will try to accommodate requests for non-Project water. Water purchased will be combined and one blended rate established. The District estimates the delivered cost to water users will be approximately \$225 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 initial portion of Supplemental Water will become available during the spring months, with additional quantities available as the water is acquired through the end of October.

If you need Supplemental Water, please complete the enclosed agreement and return it to the Fresno office by close of business on March 10, 2011. 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-served basis. Please direct questions to your Customer Accounting Technician at (559) 241-6250.

2011-2012 Budget, Water Rates and Charges Approved

The Board of Directors approved the 2011-2012 budget, water rates, and charges at its February 15, 2011 meeting. The budget totals \$157,828,100 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; 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 768,945 acre-feet of water from all sources. With this total supply, the District O&M rate is \$16.53 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 new drainage service area land-based charge was also approved

this year and will be used to cover the associated litigation, if it goes forward. The land-based charges will be billed in March, with a portion due March 25, 2011, and the remainder due September 25, 2011.

Water users should also note that approved Account Monitoring Charges include a charge of \$11,911 each month any amount of billed overuse occurs, and \$1,451 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 Customer 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 Customer 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 Customer Accounting at (559) 241-6250.

Irrigation System Improvement Program Funding Opportunity

The Power and Water Resources Pooling Authority (PWRPA) has approved a cost share program for funding irrigation system improvements under the District's Expanded Irrigation System Improvement Program (EISIP). To qualify for the funds, water users must install the system on lands served by either a well enrolled in the Groundwater Management Program or a Temporary Diversion. Through this grant, PWRPA will fund up to 50 percent or \$65,000, which ever is less, of an irrigation system lease/purchase. The balance of a system's cost will be funded under and in conformance with the EISIP (i.e., water users must offer 160 acres of non-annexed land as security and provide a 20% down payment followed by 4 annual payments amortized at 3.1% per annum). For additional information on applying for this grant program and/or non-grant EISIP leases, please contact Israel Sanchez at (559) 241-6237.

Annual Water User Workshop

The annual water user workshop will be held on Thursday, March 17, 2010, 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.

**2011-2012 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.
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1. I request that the District purchase on my behalf the amount of water indicated above.
2. I understand that 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.
3. I agree to pay the actual delivered cost of such water.
4. I understand that by submitting this agreement, I am obligated 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.
5. I agree to make advance payment for water purchased on my behalf by the District at the time payment is requested.
6. 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.
7. 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.
8. 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.
9. I agree to all conditions stated above.

Date _____ Print Name _____

Signature _____

Please complete this agreement and return it to the Fresno Office no later than close of business, March 10, 2011. 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.

Westlands Water District Annual Water Users' Workshop

Thursday, March 17, 2011

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 2011-2012 CVP Allocation, Rescheduling & Transfers

Tom Glover, Deputy General Manager – Resources

2011-2012 Adopted Budget, Water Rates, Charges & Assessments

Charlotte Dahl, Director of Finance & Administration

Groundwater Conditions

Tom Glover

Questions & Answers

Tom Birmingham