

ORANGE COVE IRRIGATION DISTRICT

1130 PARK BOULEVARD
ORANGE COVE, CALIFORNIA 93646

Phone: (559) 626-4461
Webpage: OrangeCoveID.org

BOARD OF DIRECTORS AND OFFICERS

President

David Brown
Division 2

Vice-President

Arlen Miller
Division 4

Brian Hixson
Division 1

Andrew Brown
Division 3

Kevin Orlopp
Division 5

Engineer-Manager

Secretary
Assessor- Collector
Fergus A. Morrissey

Controller / Treasurer

Roger Payne

Legal Counsel

Alan Doud, Esquire
Young Wooldridge, LLP

January 9, 2026

Dear Orange Cove Irrigation District Landowner:

Attached you will find:

- 2026/27 Contract Year Rules and Regulations approved by the Board of Directors on November 12, 2025, and
- 2026/27 Contract Year Water Application (March 2026 through February 2027).

Please read and understand the Rules and Regulations as you are attesting to such by signing your water application. I am happy to inform you that the price of Tier 1 and Tier 2 Contract supplies for the coming contract year are \$65 and \$45 per acre foot respectively, unchanged from last year's rates. You are strongly encouraged to use as much contract supply as possible, minimizing use of groundwater, promoting sustainability of the water resource.

Since January 2025, the District began receiving its utility power from the Central Valley Project's hydropower resources through the Western Area Power Administration (WAPA), part of the federal Department of Energy. As such, delivery costs dropped significantly compared to the previous year (approximately 25%) and updated estimates for your power costs based on your specific points of delivery and quantity for the upcoming year will be reflected in your prepayment of the estimated energy pass-through costs included in your Water Application.

In terms of this year's hydrologic outlook, this year is off to a great start with an initial 100% Class 1 Declaration expected, but not certain. Northern California Central Valley Project reservoir storage is strong, as is the amount of supply stored in San Luis Reservoir. Millerton Lake storage is rather high and there is a need to evacuate water from the reservoir by the end of January to comply with the Army Corp's top of conservation limits (preserving storage space to prevent high flood releases into the San Joaquin River. There is currently abundant water so please use it in lieu of groundwater.

As always, best of luck growing your crops for the world this year and hoping you enjoy a year of good luck, health, and prosperity. If you have any questions, please do not hesitate to contact the office at 559.626.4461.

Very Truly Yours,
Engineer-Manager

Established 1937

Water Rates / Rules & Regulations

Orange Cove I.D.

2026/27 CONTRACT YEAR FRIANT DIVISION ALLOCATED SUPPLY

REVISED by the Board of Directors on November 12, 2025

Orange Cove ID Class 1 Contract Surface Water Supply

The District has an annual Class 1 Contract with the United States Bureau of Reclamation (Reclamation) for 39,200 acre-feet (af). Based on the District's assessed acreage this amounts to 1.4 acre-feet per acre (af/a). Reclamation updates water supply declarations throughout the year as hydrology unfolds, making its initial declaration on or about February 20th for the ensuing Contract Year beginning March 1.

District water rates are established annually by its Board of Directors as are these Rules and Regulations, both applicable to the District's Class 1 supply. Water rates and these Rules apply to the Contract year period beginning March 1st and ending on the last day of February the next year.

Automatic Allocation and Delivery of Class 1 Contract Water

Entities in good financial standing in the District are initially allocated 1.4 acre-feet of Class 1 Contract supply per assessed acre while those with deficits receive no allocation. Water up to 0.999 af/a ordered on an entity basis is defined as **Tier 1** water. All water ordered above 1.0 af/a on an entity basis is defined as **Tier 2** water. Use of Tier 2 water begins after all Tier 1 supply is used.

The District provides each landowner with a Water Balance Statement based on this default allocation which assumes a 100% Class 1 declaration by Reclamation. Estimated charges for energy costs required for delivery to the District meter from the Friant-Kern Canal are in addition to water charges and are on a *take and pay* basis (charge based on actual energy usage).

First Water Supply Installment

The first installment amount is based on 50% of your total order, with a required payment covering up to, but not more than, 0.700 af/a. The first installment must be received by the District no later than 4:00 P.M., Friday February 20, 2026, to avoid a *late charge*.

Late Charge - First installment payments received after close of business on February 20, 2026, and prior to Wednesday April 15, 2026, will include a \$25/af penalty, up to a maximum of \$1,000 dollars, applied to Tier 1 and Tier 2 rates.

Payment not received by close of business April 15 will result in **supply being subject to availability**. In essence this means that there will be no surface water available from the District. Transfers from other landowners will be a source.

PLEASE NOTE: Given water demand in the District, failure to pay for the desired supply, in all but the wettest of years will very likely result in ZERO water availability for the remainder of the Contract Year, notwithstanding supply acquired by individual growers from water transfers.

Second Water Supply Installment

The second installment is based on the ultimate Bureau of Reclamation Class 1 water supply declaration and must be received by the District no later than 4:00 P.M., Wednesday July 15, 2026. Second installment payments not received will result in forfeiture of supply not paid for. **EXAMPLE: If you are ultimately allocated 2.000 af/a based on your order and water supply availability, the second installment would be for 1.3 af/a***

* 2.000 af/a – 0.700 af/a = 1.3 af/a

Note: The District will not accept cash exceeding \$1,000.

Payment by mail:

Orange Cove Irrigation District
1130 Park Boulevard
Orange Cove, California 93646

Payment by ACH:

Contact the District office at (559) 626-4461 if you wish to set up payments by ACH.

2026/27 Contract Year Water Rate

- **Tier 1 Irrigation/M&I Rate**
\$65 / acre-foot for delivery of less than 0.999 af/a on an entity's total ownership basis.
- **Tier 2 Irrigation Rate/M&I Rate**
\$45 / acre-foot for water delivered more than 1.000 af/a on an entity's total ownership basis.

Example Water Payment: Entity's Total OCID Acreage – 100 acres

Water Allocation – 140 af (1.4 af/a x 100 acres)

Water Charge – \$8,300 [(\$65 / af x 100 af) + (\$45 / af x 40 af)]

Water Requests Exceeding 1.4 AF/A – Additional Contract Supply

An amount greater than the default allocation of 1.4 af/a, can be requested in your Water Application. The amount of additional availability you are likely to receive is unknowable before about April 16, 2026, one day after the first installment deadline. On or about April 20th the District will redistribute unallocated supply among those requesting more than 1.4 af/a on an equal af/a basis. For example, additional supply will be distributed in 0.1 af/a increments until depleted under a rising tide lifts all boats model.

Energy Charge

A separate energy charge is estimated based on the previous year's cost by delivery-system to convey water is added to pumped deliveries. **Energy payments, like water payments, will be divided into two installments just as water application payments are split as described herein.** In the 2025/26 Contract Year the energy charge by delivery-system ranged from approximately \$15/af to \$55/af. Last year's average cost per af was \$35/af with most of the pumped deliveries in the District near that average. The end of Contract Year meter readings and utility bill totals will "true-up" that estimated payment resulting in either an additional entity payable or an entity refund.

Limited Credit for Contract Water Ordered and not Taken

Contract Water remaining in an entity's account as of March 1, 2027, exceeding 0.25 af/a will be non-refundable and non-creditable. Entities may preserve 0.25 af/a for frost water demand and/or for dry fall/winter irrigation demand without monetary risk. For each entity, residual supply remaining up to 0.25 af/a will be credited at \$45/af.

For example, if an entity owns 20 acres and orders 32 af of Contract Supply, then 5 af of residual/unused supply as of March 1, 2027, will be creditable (0.25 af/a x 20 acres). In this example, the entity would receive an account statement credit limited to \$225 (5 af x \$45/af). In this example if an entity had 1.0 acre-foot left, they would receive a credit of \$45 and if the entity has between 5 and 32 acre-feet unused they will receive a credit of \$225.

Water Delivery

Water will not be allocated by the District or delivered to an entity until all outstanding entity charges, including but not limited to Standby Assessments and projected energy payment estimates, have been

paid in accordance with the foregoing. Water provided by the District under its Class 1 Contract with the United States is restricted to irrigation of lands within the District's legal boundary, those subject to annual acreage assessment. Diverting Contract Supply outside the District violates the Contract.

If the District finds, through crop irrigation requirement calculations, surface water delivery records and or water quality analysis of applied irrigation water that District Contract water from the Friant-Kern Canal is being delivered to land outside the District's official boundary, the quantity of surface diversion will be determined and penalties of up to \$1,000 per af or 150% of the market value of water (whichever is greater) may be added to that entity's account balance.

Upon discovery or suspicion of the delivery of District supply to lands outside of the District the landowner will be given the opportunity to appear before the Board. This will provide the chance for dialogue and resolution. Dialogue will serve as due process prior to further Board action should that course be deemed by the Board to be necessary. The Board will discuss with the landowner further penalties which may be imposed, including additional fines and or cessation of delivery of District water to parcels that are enabling the delivery of water outside the District.

Unpaid or delinquent water charges and unauthorized operation or tampering with water delivery meters will cause the District to lock delivery meters. Unpaid water or Standby charges will become a lien against the landowner's property. Interest charges will accrue on all delinquent accounts at the legal rate permitted by law. A \$200 administrative fee will be assessed on the landowner to UNLOCK a locked delivery. Tampering with chains or locks will result in an additional \$200 administrative fee.

Water illegally diverted, **including use of supply exceeding an entity's allocation**, may be billed at \$1,000 per acre-foot, or 150% of the **then-current** water *open-market* rate, whichever is greater. If the District is unable to determine the quantity of water illegally used, the District will estimate the amount through water orders, previous years' water usage history, or field (i.e., consumptive use) estimates and charge the landowner accordingly.

The legal property owner must countersign water statements filed with the District by others (lessees, renters, etc.). The property owner assumes all responsibility for payments required, including payment of fines. **By signing the Statement, the landowner attests that they have read, understand, and agree to abide by these Rules and Regulations.**

Diverting federal Contract water from the District in violation of these Rules & Regulations or in conflict with state and/or federal law, is expressly forbidden. Any landowner using District water for cultivation of crops in conflict with federal law, including but not limited to the cultivation of cannabis, or for diverting water prior to securing water from the District may be prosecuted and will be liable for administrative fees and water payments described above. In addition to fees and penalties the District may remove its delivery infrastructure (piping, valves, meter). Illegal diverters will be assessed a fine of \$10,000 by the District and will be subject to fines and/or penalties by other entities including the State of California and the United States. In addition to the \$10,000 fine, landowners will be billed for the District's time spent removing District infrastructure.

Use of Water

Failure or refusal of any landowner / irrigator to comply with these Rules and Regulations shall be sufficient grounds for terminating delivery of District water to the lands of such landowner and water shall not again be furnished until the landowner complies with the Rules and Regulations.

Water delivered by the District must be for legal agricultural beneficial use on District Standby assessed lands, pursuant to state and federal law. Caution: Water used for spraying purposes may only be taken from a District delivery or other District facility provided a County-approved connection exists between the District facility and the spray equipment. Similarly, any permanent or temporary installed fertigation facility on an irrigation system must contain backflow prevention features to prevent the

release of fertilizer, pesticide, or any foreign substance from being introduced back into the Districts delivery system.

No trees, vines, shrubs, corrals, fences, or other type of encroachment shall be planted or placed in, on, over, or across any District conduit or any District right of way unless the District has given specific written approval for such encroachment.

Water Usage Statements will be sent to the water user monthly by email only. **If you wish to receive a Water Usage Statement, you must provide an email address.** When a water user's purchased supply is depleted, water delivery will cease. Delivery can resume if the water user secures additional water by transfer or purchase (if available). It is the water user's responsibility to; track their usage, not exceed their allotment, and to make necessary arrangements with the District or other landowners for additional supply.

Water rates are established based on covering the District's net incremental operating and maintenance costs for the delivery of surface water to growers. **Water delivery costs do not include District fixed annual cost obligations.** Fixed annual costs include, but are not limited to, local conveyance costs (Friant Water Authority operation and maintenance of the Friant-Kern Canal) and non-local conveyance costs (costs associated with the delivery of Exchange Contractor water via the Tracy and O'Neill Pumping Plant facility and the Delta-Mendota Canal), general and special legal counsel costs, and water right fees payable to the State of California. Fixed annual costs are incurred by the District, *regardless of water supply allocation to District landowners* and therefore are levied on an acreage basis via the Standby Charge.

Dry Year Amendments

Spot Market Water: If growers acquire and pay for water from outside sources "Spot Market Water" for their use **within the District** (they may also transfer such water to another District landowner), those supplies shall be used **before** their Contract Supply is either used or transferred. Energy charges will apply based on the delivery location.

Unused Spot Market Water volumes shall not be carried over by landowners from one Contract Year to the next. Monies paid for Spot Market Water (that is purchased by the District) are non-refundable and non-creditable.

Water Transfers

Transfer Fee

For water purchased at \$45/ af, the District will impose a \$20/af fee on transfers at the time of transfer unless the landowner receiving the supply ordered at least 1.0 af/a on an entity basis **and in that case, there is no fee.**

Intra-district - between different entities inside of the District:

Landowners may transfer to one another by filing a cosigned water transfer form with the District and paying the Transfer Fee, if required. The District assumes no responsibility for collecting monies due to the transferor from the transferee. Energy charges will apply to the transferee based on the delivery system used.

Inter-District Transfers Out:

Transfer of District Contract Supply **outside** of the District by landowners is not permitted. Transfers into the District from other sources are permitted and require payment of a \$250 administration fee in addition to energy charges based on the delivery location.

Transfer of Spot Market water acquired by a landowner, **when such supply is not prorated within the District due to limited availability**, may be transferred outside of the District subject to an additional Friant-Kern Canal Operation and Maintenance charge of \$100/af.

Water Delivery Procedure

Orders for turn-on and turn-off must be scheduled with the District at least 24 hours before delivery. Landowners diverting water without notifying the District of their intent *may be* subject to an administrative charge of \$50 per acre-foot based on unordered diversions since the previous meter reading. Customers should also notify the District as soon as possible when making unscheduled changes.

The District's policy is to deliver water in quantities and flow rates that are economically feasible and within the operating limits of the delivery systems and flow meters. Extenuating circumstances, where it may not be economical to provide water to a particular delivery point, will be considered by the District on a case-by-case basis. No orders will be fulfilled that create the potential to damage or otherwise harm the District's facilities.

The District notifies the Friant Water Authority at 8:30 A.M. of the total orders made for the following day between Monday through Friday. Orders must be received at the District Office before 8:00 A.M. to receive delivery on the next day. Sunday and Monday orders must be received before noon the preceding Friday. Water orders may be made as follows:

DISTRICT OFFICE – The office is open for water orders between 7:00 A.M. to 4:00 P.M. Monday through Friday. You may also place a water order by calling the District Office at (559) 626-4461. During non-business hours, water orders may be placed with the District's answering service. Alternatively, water order requests may be emailed to "waterorders@orangecoveid.org". District receipt of email orders will be confirmed through an email reply from District staff.

HOLIDAY SCHEDULE – The District office will be closed in observance of the following holidays: afternoon of New Year's Eve, New Year's Day, President's Day, afternoon of Good Friday, Memorial Day, Fourth of July, Labor Day, Veteran's Day, Thanksgiving Day and the day after, afternoon of Christmas Eve, and Christmas Day. Water orders for holidays and the day following a holiday shall be made by 8:00 A.M. on the business day prior to the holiday.

The ordering timing requirements are relaxed for the delivery of frost water. Frost water must be ordered by 1:00 P.M. to receive water for that night and the following day. For pumped systems, a notice as early as possible is desirable in case the system must be filled. Order your water by System and delivery meter designation and provide the desired flow and duration as you would during the irrigation season. When ordering, provide the District with your name and a telephone number where you can be reached during the period when you intend to be taking delivery of water. Failure to take delivery of water that is ordered for frost protection can severely damage the District's pumps. Landowners that have placed frost water orders and later decide not to take delivery must make every effort to contact District Operations staff to avoid being liable for damage to District infrastructure.

Landowners will be permitted to operate their delivery provided it is operated in accordance with District procedures. Water must be used at a rate that will accurately register on the delivery meter. Landowners shall immediately inform the District office of any maintenance required on their meter due to normal wear, vandalism, accident, or other cause. Landowners shall be responsible for all water delivered or spilled through their point of delivery.

A change of water from one delivery point to another on the same system will be permitted without 24-hour notice if you notify the District in advance of the change.

No person other than a District employee shall operate any District facilities. Tampering with or adjusting any pump or valves other than the delivery assigned for your use is prohibited. Any interference with facilities under the jurisdiction of the District is a criminal offense and will be prosecuted accordingly.

District Communication with Landowner (limitations via regular mail)

From time to time the District may communicate important and dynamic issues with its landowners. These matters include, but are not limited to; *changes in water supply Declaration by the United States, changes in water supply allocation made available by the District, availability of Spot Market water, water use, residual water supply and account balances*. This type of communication is greatly facilitated using email and the District will communicate regularly using this tool.

Failure to provide the District with an updated email address may result in your missing out on information. **In short – provide the District with an email address and notify the District if it changes.**

District Liability

The District is not responsible for the quality of water delivered as that capability is outside of the District's control. The Friant Water Authority is responsible for the operation and maintenance of the Friant-Kern Canal and from time to time they perform treatment (i.e., application of copper sulfate or other chemicals) and or maintenance (i.e., mechanical removal of invasive weeds within the system) that may result in water of variable quality. The District communicates with the Friant Water Authority routinely and there are ongoing concerted efforts to maximize and stabilize the quality of water delivered.

Water delivered by the District is untreated. Use of District water is not consistent with human consumption and is a violation of state law under AB 1194. **Water supplied by the District is not intended to be and must not be used for residential uses or human consumption**, including but not limited to; drinking, bathing, showering, hand washing, oral hygiene, cooking, preparing food or dishwashing.

Water shortages may occur which may affect the amount of water furnished to the District by the United States pursuant to the District's Contract. In no event shall any liability accrue against the District or any of its officers, Directors, agents, or employees for any damage, direct or indirect, arising from a water shortage due to errors in operation, drought, or unavoidable causes.

Tailwater

The District is required to regulate excessive tailwater. The District's Contract with the United States requires the District, as a provision of its conservation plan and as a condition of continued service, ensure water is put to beneficial use. Hence, the District must regulate excessive tail-water to avoid determinations that it is wastefully or unreasonably using the federal resource (water supply) which is also a violation of the State Water Resource Control Board granted water right permit underlying the Contract supply. If the District is required to regulate tail-water because the grower does not do so, it needlessly expends District funds without providing specific benefit to the broad group of District landowners.

If the District determines that a landowner has improperly used irrigation water delivered to them, or improperly prepared the ground to receive irrigation water, such that excess tail-water, in the District's opinion, is leaving the landowner's property, the District shall notify the landowner with the appropriate steps to take to ensure that excess tail water is eliminated. If the landowner does not take appropriate steps to remedy the situation, the District will reduce and/or discontinue water delivery until the problem is rectified. Alternatively, the District may, at the landowner's expense, take corrective action to ensure that excess tailwater does not leave the landowner's property. Landowners will be charged the full cost to the District of any services provided to restrict tail-water runoff, and payment of these charges will be required as a condition of continued service.

----- **END OF 2026/2027 RULES & REGULATIONS** -----