

2018 ORANGE COVE ID RULES & REGULATIONS
2018 FRIANT DIVISION CONTRACT-YEAR ALLOCATED SUPPLY
DO NOT DISCARD DO NOT IGNORE DO NOT ASSUME

TIERED WATER RATES

Water rate depends on the amount of water ordered **AND** MADE AVAILABLE based on; the ultimate Bureau of Reclamation (Reclamation) Contract Supply Declaration, the water application order, and each landowner's **total assessed acreage**. The District's water pricing structure is related to the amount of water made available to an entity on an acre-foot per acre basis and shall correspond to:

- **Tier 1**
\$65 / acre-foot for **water ordered and made available** ("Secured") for quantities totaling up to 1.0 acre-foot per acre (between 0.0 and 1.0 af/a).
- **Tier 2**
\$25 / acre-foot for water Secured above 1.0 acre-foot per acre.

Example Payment: *Entity's Total Acreage – 100 acres*
Entity's Total Order – 140 acre-feet (1.40 acre feet per acre)
Payment – (\$65/af x 100 af) + (\$25/af x 40 af) = \$7,500

ENERGY CHARGE

A **separate** energy charge that is estimated based on historical District cost by delivery-system, to convey water will be added to **pumped** deliveries. In the 2017/2018 Contract Year the energy charge by delivery-system ranged from approximately \$12 per acre foot to \$59 per acre foot. Last year's average cost per acre foot was \$26 with the majority of the pumped deliveries in the District near that average. Energy charge payments will be made at the time of water application based on the estimated delivery for the Contract Year and the estimated power cost associated with the delivery-system utilized to convey water. End of 2018/2019 Contract Year meter readings and PG&E utility bills will "true-up" that estimate resulting in either an additional entity payment or District refund to the entity.

LIMITED DOLLAR CREDIT FOR WATER SECURED AND NOT DELIVERED

90% of the quantity of water Secured by an entity and not used or transferred by March 1, 2019, will be **non-refundable and non-creditable**. The 90% value is for consideration of entities preserving 10% of their Secured supply for frost protection without monetary risk. If frost water is not taken by the entity and they have remaining supply as of March 1, 2019 the District will refund that entity \$25 per acre foot on up to 10% of their quantity Secured. For example, if a landowner Secured 140 acre-feet of supply, a credit on up to 14 acre-feet @ \$25/af is possible (10% x 140 af x \$25/af = \$350).

TRANSFER FEE RULE

In-District transfers are permitted. The District will impose a **\$40 per acre-foot fee on transfers** at the time of transfer, **unless** the transferor Secured no Tier 2 water, **OR** the transferor has already used or transferred (utilized) an amount equal to or greater than their quantity of Tier 2 water Secured **OR** the transferee has Secured (at the time of transfer) at least 1.0 acre feet / acre on an entity basis.

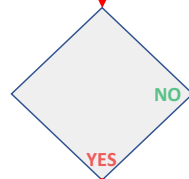
Restated in bullet form, the fee **will not apply** if any of the following conditions apply:

- Transferor Secured no Tier 2 water, or
- Transferor has utilized an amount equal to or greater than their quantity of Tier 2 Secured, or
- At the time of transfer, Transferee (entity wide basis) has Secured at least 1.000 acre feet / acre.

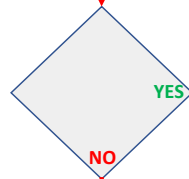
Energy charges will apply based on the Delivery System associated with the point of delivered water. Energy charges are separate and apart from water costs and charges are the user's responsibility.

FLOW CHART TO DETERMINE
APPLICABILITY AND AMOUNT OF TRANSFER FEE

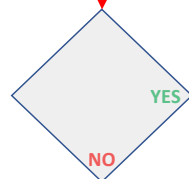
Did the **Transferor** Purchase
Tier 2 Water?



Did the **Transferor** Utilize an
amount \geq Their Tier 2 Water
Secured?



Has the **Transferee** Secured at least 1.0
acre foot per acre prior to the
contemplated transfer?
(Includes prior Transfers to Transferee)



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*** THERE IS A TRANSFER FEE ***
Until the Total Quantity of **Transferee's**
Water Acquisition is Greater than 0.999 af/a
(on an entity basis).
Transfer fee Applies to the difference of
(Total Transferee (Entity's) Acreage)
minus
(Entity's Total Acre Feet Acquired)

1. APPLICATION FOR WATER

a. Water applications will be accepted at the District office until 4:00 P.M., Tuesday February 20, 2018, and must include the quantity (in acre-feet **and acre feet per acre**) of District water the landowner wishes to reserve for the upcoming 2018 / 2019 Contract-Year (March 1, 2018 – February 28, 2019).

b. The minimum payment due at this time must cover one-half of the total blended cost of water reserved. The second installment is due Wednesday June 20, 2018. Applications received and/or postmarked on or before February 20th will be considered “on-time”. Water supply on Applications received or postmarked after February 20th will be subject to availability and will incur a \$20 per acre-foot administrative charge. No water will be delivered before it is purchased.

c. Water will not be delivered to any customer until all outstanding customer charges, including but not limited to Standby Assessments and **energy payment estimates**, have been paid District-wide.

d. Unpaid or delinquent water charges and unauthorized operation or tampering with water delivery meters will cause the District to lock subject water 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 to the applicant to UNLOCK any delivery that has been locked due to delinquency, unauthorized operation or meter tampering. Cutting chains or locks will result in an additional \$200 administrative fee.

Water illegally used shall be billed at \$500 per acre-foot, or 150% of the current water open-market rate, **whichever is greater**. For example, if the water market rate (as determined by the Board of Directors) is \$1,000 per acre-foot, illegally used water shall be purchased at \$1,500 per acre-foot. If the District is unable to determine how much water was illegally used through the meter, 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.

e. **The legal property owner must countersign water applications filed with the District by others (lessees, renters, etc.). The property owner assumes all responsibility for payments required, including payment of fines.**

f. If available, additional water may be purchased during the Contract Year without penalty provided water is initially purchased as of February 20th in accordance with Paragraph 1.a. above.

g. Diverting water from the District in violation of these Rules & Regulations is a violation of law. Any landowner using District water prior to purchasing it from the District may be prosecuted for theft and will be liable for the administrative fees and water payments described above in Paragraph 1.e. In addition to administrative fees and penalties, the District will remove its delivery infrastructure (piping, valves, meter) from landowners illegally diverting District water. Landowners found to be illegally diverting water will be assessed a fine of \$10,000. In addition to the \$10,000 fine they will be billed for the District’s time spent removing District delivery infrastructure.

2. FRIANT DIVISION CONTRACT YEAR

The Contract Year coincides with Reclamation’s Contract Year (March 1st to the last day of February of the following year). Water delivery may be made any time during the Contract Year provided water is “Made Available” by the Bureau, is deliverable (i.e., maintenance activities by the District and or the Friant Water Authority do not preclude its delivery) and the applicable provisions of Paragraph 1 have been satisfied. Water rates are established annually by the Board of Directors and will apply on a Contract Year basis unless otherwise modified by the Board of Directors.

3. USE OF WATER

a. Water delivered by the District must be for an agricultural beneficial use within the District's boundary. Caution: Water used for spraying purposes may only be taken from a District delivery or other District facility provided a County-approved connection is made and maintained at all times between the District facility and the spray equipment. Similarly, any permanent or temporary installed fertigation facility on a landowner's 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.

b. Water usage statements will be sent to the water user on a monthly basis by email only. If you wish to receive this monthly statement, you must provide an email address. When the water user's purchased supply is depleted, water delivery will be discontinued. Water delivery may be resumed if the water user acquires additional water by transfer or purchase (if available). It is the water user's responsibility to track their usage, not to exceed their allotment and to make necessary arrangements with the District for additional water.

c. Water rates are established on the basis of covering the District's incremental operating and maintenance costs associate with the delivery of surface water to its growers. Water delivery costs do not include fixed annual costs, including local conveyance (Friant Water Authority operation and maintenance) and non-local conveyance (costs associated with the delivery of Exchange Contractor water via the Tracy Pumping Plant facility and the Delta-Mendota Canal). Fixed costs are encumbered by the District, regardless of water supply allocation and therefore are levied on an assessed acreage basis.

1. Dry Year Amendments

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

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.

4. ENTITLEMENT TO WATER

a. When the demand for water is greater than available supply, available water will be distributed equitably among those who have filed an application in accordance with Paragraph 1 and as required by California State Water Code Section 22250, which reads in part as follows:

"All water distributed by districts for irrigation purposes shall be apportioned ratable to each landowner upon the basis or ratio which the last assessment against his land for district purposes bears to the whole sum assessed in the district."

b. Any landowner may assign for use within the District their full allocation pursuant to Section 22250 provided the water is first Secured in accordance with Paragraph 1 and in accordance with the Transfer Fee Rule.

5. WATER TRANSFERS

a. Intra-district (within the District) between **same entity**:
A landowner having properties in two or more of the District's delivery systems (e.g. OCID System 7 and OCID System 11), may transfer water, without penalty or transfer fee, from one system to another system. The Energy Charge will apply to the System where water is delivered.

b. Intra-district - between **different entities**:
A landowner may transfer water to another landowner by filing a signed water transfer form with the District and paying fees in accordance with the Transfer Fee Rule. The transferor, prior to the transfer in accordance with Paragraph 1, must have purchased the transferred water. The District assumes no responsibility for collecting monies due to the transferor from the transferee. Both the transferor and the transferee must sign a

water transfer form. The Energy Charge will apply to the transferee based on the System used to deliver the water.

Transfers out of the District are not permitted. Transfers into the District from other sources or Contract supplies are permitted and shall require payment of a \$75 per acre-foot wheeling fee prior to delivery.

6. WATER DELIVERY PROCEDURES

a. 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.

b. Water for the following day is ordered from the Friant Water Authority at 8:30 A.M. Monday through Friday. Orders must be received at the District Office before 8:00 A.M. to receive next day delivery. 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.

c. **The ordering timing requirements shall be 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 has to be filled. Order your water by System and delivery 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 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 Operation's staff to avoid being liable for damage to District infrastructure.

d. 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.

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

f. No person, other than a District employee unless otherwise designated, shall operate any of the District's facilities. Tampering with or changing the adjustment of 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.

7. DISTRICT LIABILITY

a. The District is not responsible for the quality of water delivered as that ability is outside of the District's jurisdiction and 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 is a concerted effort 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 should not be used for residential uses or human consumption, including but not limited to; drinking, bathing or showering, hand washing, oral hygiene, or cooking, preparing food or dishwashing.

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

8. TAILWATER

a. The District is required to regulate excessive tail-water. The District's Repayment Contract with the United States requires the District, as a provision of its conservation plan and as a condition of continued service, to 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). 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.

b. 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 in order to ensure that excess tail-water 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.