

ORANGE COVE IRRIGATION DISTRICT

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January 15, 2020

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Dear Landowner:

The 2020/2021 Water Application is enclosed and should be completed and returned to the District at your earliest convenience – **DON'T BE LATE!** Applications will be considered on time if received by the District by 4:00 p.m. on Thursday February 20, 2020. The 2020 Rules and Regulations are included in this package.

Water Year Outlook

Present conditions are slightly below, but not far from average. Because of last year's abundant supply, the District has what amounts to approximately 15% of its Class 1 supply remaining and so even an 85% declaration would yield a 100% allocation to growers, provided that Reclamation permits this amount of carryover supply.

Water Rates

Rates are as described in the 2020 Rules and Regulations and are the same as last year's rates; \$65/acre-foot for the first acre-foot per acre secured (based on all landholdings of an entity) and \$25/acre-foot for all increments secured above that. An energy fee will be separate and in addition to those rates and applicable based on the energy required to deliver water on your system(s). Half of the total annual estimated payment, based on acre-feet you expect to take delivery of, is due at this time.

Your water order should reflect the amount of water that you anticipate needing for the 12-month period starting March 1. Keep in mind; except for 10% of your order that will be creditable at \$25/af, your payment (for water (not energy)) is non-creditable and non-refundable. Aside from the noted exception, monies received will not be carried over in your account into the 2020 Contract Year, nor will they be refunded.

Also keep in mind that your order **need not** be limited to 1.4 acre-feet per acre. If water is available, **(based on timely received applications)** you will be allotted up to your request based on entity proration by acreage. Conversely, a late application may very well mean that you will receive no surface water supply in the 2020 Contract Year, short of receiving a transfer from another landowner.

Please feel free to contact me or drop by the office to discuss these or any other matters. Among the goals of the District Board are ensuring equity, fairness and transparency to each and every landowner in the District.

Best of luck this coming season!!!

Very Truly Yours,



Fergus Morrissey
Engineer-Manager

Established 1937

2020 ORANGE COVE ID RULES & REGULATIONS
2020 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 Declaration, 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 Irrigation Rate ***

\$65 / acre-foot for **water ordered and made available** (hereinafter defined as "Secured") for quantities less than 1.0 acre-foot per acre (between 0.0 and 1.0 af/a).

• **Tier 2 Irrigation Rate ***

\$25 / acre-foot for water *Secured* greater than 1.0 acre-foot per acre.

Example Payment: Entity's Total Acreage – 100 acres

Entity's Total Order – 200 acre-feet (2.00 acre-feet per acre)

Payment – (\$65/af x 100 af) + (\$25/af x 100 af) = \$9,000

*** Note: The M&I Rate has a \$10 Surcharge on Tier 1 and Tier 2.**

ENERGY CHARGE

A **separate** energy charge that is estimated based on last year's District cost by delivery-system to convey water will be added to **pumped** deliveries. In the 2019/2020 Contract Year the energy charge by delivery-system ranged from approximately \$16 per acre foot to \$71 per acre foot. Last year's average cost per acre foot was \$28 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 water order for the Contract Year and the estimated power cost associated with the delivery-system utilized to effectuate delivery. End of 2019/2020 Contract Year meter readings and PG&E utility bills will "true-up" that estimated payment 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 total Contract Year water *Secured* by an entity and not used or transferred by March 1, 2021, will be **non-refundable and non-creditable**. The 90% limitation considers 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, 2021 the District will refund that entity \$25 per acre foot on **up to** 10% of their quantity total quantity *Secured*. For example, if a landowner *Secured* 200 acre-feet, credit on up to 20 acre-feet @ \$25/af is possible (10% x 200 af x \$25/af = \$500).

TRANSFER FEE RULE

For water purchased at \$25 per acre foot, the District will impose a \$40 per acre-foot fee on transfers at the time of transfer, **unless** the transferee *Secured* (at the time of transfer) at least 1.0 acre feet / acre on an entity basis.

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.

1. APPLICATION FOR WATER

a. Water applications will be accepted at the District office until 4:00 P.M., Thursday February 20, 2020, and must include the quantity (in acre-feet **and acre-feet per acre**) of District water the landowner requests to reserve for the upcoming 2020 / 2021 Contract-Year (March 1, 2020 – February 28, 2021).

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 Monday June 22, 2020. 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. No water will be delivered before it is Secured and paid for.

c. Water will not be delivered to any customer until all outstanding customer charges, including but not limited to Standby Assessments and projected 6-month **energy payment estimates**, have been paid District-wide. Water made available by the District under its Class 1 Contract with the United States may only be used for irrigation purposes on lands within the recognized legal boundary of the District – lands that pay an annual acreage assessment. Any landowner diverting water for use outside the District boundary is in violation of the District’s Contract with the United States.

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 FKC is being delivered to land outside the District, the quantity of surface diversion will be determined, and fees referenced in section 1.d. below may be applied to that entity’s account balance for the first offense.

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

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 \$750 per acre-foot, or 150% of the current water open-market rate, **whichever is greater**. 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. By signing the water application, the landowner attests that they have read, understand and agree to abide by these Rules and Regulations.

f. If available, additional water may be purchased during the Contract Year without penalty.

g. Diverting federal water from the District under its Contract with the United States 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 marijuana, or for diverting water prior to Securing water from the District may be prosecuted and will be liable for the administrative fees and water payments described above

in Paragraph 1.d. In addition to administrative fees and penalties, the District may remove its delivery infrastructure (piping, valves, meter) from illegal diverters. Illegal diverters will be assessed a fine of \$10,000 by the District and will be subject to fines and/or penalties (including incarceration), 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 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. Failure or refusal of any landowner or irrigator to comply with any of these rules or regulations shall be sufficient grounds for terminating delivery of District water to the lands of such landowner or irrigator, and water shall not again be furnished until the landowner or irrigator is in full compliance with all rules and regulations.

b. Water delivered by the District must be for legal agricultural beneficial use **within** the District's boundary, pursuant to state and federal law. Water used for the cultivation of crops in conflict with federal law, is not permitted under any circumstance and is considered an illegal use of water. Use of water for the cultivation of marijuana or other illegal drugs according to state or federal law, is strictly forbidden. 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.

c. 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.

d. 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 Secures 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.

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

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. Energy charges shall 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.

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.

Transfer of District Contract Supply outside of the District by landowners is not permitted. Transfers into the District from other sources or other Contract supplies are permitted and shall require payment of a \$15 per acre-foot wheeling fee prior to delivery in addition to energy charges based on the delivery location.

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.