

ORANGE COVE IRRIGATION DISTRICT

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January 9, 2025

Dear Orange Cove Irrigation District Landowner:

Attached you will find:

- 2025/26 Contract Year Rules and Regulations approved by the Board of Directors on December 11, 2024, and
- 2025/26 Contract Year (March 2025 through February 2026) Water Application / Statement.

Please make sure to read and understand the Rules and Regulations. They are very similar to last January's version with one minor modification approved by the Board last Spring where the late penalty for the first water installment is capped at the lesser of \$1,000, or \$25/acre foot. If you have any questions on the R&R's please ask for clarification!

Unchanged from last year, the price of Tier 1 and Tier 2 Contract supply are \$65 and \$45 per acre foot respectively. You are strongly encouraged to use as much Contract supply as you can, minimizing use of groundwater, promoting sustainability of the water resource.

In terms of this year's hydrologic outlook, very much like last year it's off to a mediocre start. Last year's hydrology unfolded to be highly unusual with a total Upper San Joaquin River runoff volume into Millerton Lake of 99.7% of the long-term average. Although Reclamation landed at a 90% Class 1 Declaration Last year the District allocated 120% of its Contract Quantity.

Northern California Central Valley Project reservoir storage is strong as is the amount of supply stored in San Luis Reservoir for the Exchange Contractors. Currently, statistically speaking, there is essentially a 0% chance of a Call by the Exchangers on Friant Division water, unless something breaks in the Delta.

Speaking of the Delta, it's anybody's guess what the new federal administration will do regarding establishing new parameters for operation of the CVP under the Endangered Species Act (Biological Opinions).

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 don't hesitate to contact the office at 559.626.4461.

Very Truly Yours,



Engineer-Manager

2025/26 Orange Cove I.D. Water Rates & Rules and Regulations

2025/26 CONTRACT YEAR FRIANT DIVISION ALLOCATED SUPPLY

Adopted by the Board of Directors on December 11, 2024

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 up to 39,200 acre feet. Given the District's assessed acreage this amounts to up to 1.4 acre feet per acre. Reclamation makes water supply declarations throughout the year as hydrology unfolds, making its initial declaration on or about February 20th each year 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 Contract 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 Allotment and Delivery of Class 1 Contract Water

All parcels in the District are automatically allocated (by *default*) 1.4 af of Class 1 Contract supply per assessed acre. The first acre foot per acre ordered on an entity basis is defined as **Tier 1** water. All water ordered above 1 acre foot per acre on an entity basis is defined as **Tier 2** water. Use of Tier 2 water begins only after all Tier 1 supply is used.

The District provides each landowner with a Statement based on this default allocation under the initial assumption of a Reclamation 100% Class 1 Contract availability. Estimated charges for energy costs needed 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 usage).

First Water Supply Installment

The first payment installment (50% of the Statement total) is due and must be received by the District no later than 4:00 P.M., Thursday February 20, 2025 to avoid a late charge.

Late Charge - First installment payments received after February 20, 2025 and prior to Tuesday April 15, 2025 will include a \$25 per 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.

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 (up to 50% of the total statement based on the final Reclamation Class 1 allocation) is due and must be received by the District no later than 4:00 P.M., Tuesday July 15, 2025. Second installment payment not received by that date will result in forfeiture of supply not paid for.

Payment by mail, must be sent to:
Orange Cove Irrigation District
1130 Park Boulevard
Orange Cove, California 93646

2024/25 Contract Year Water Rate

- **Tier 1 Irrigation/M&I Rate**
\$65 / acre-foot for delivery of less than 1.001 acre-foot per acre (between 0.0 and 1.0 af per acre) on an entity's total ownership basis.
- **Tier 2 Irrigation Rate/M&I Rate**
\$45 / acre-foot for water delivered more than 1.000 acre-foot per acre on an entity's total ownership basis.

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

Water Allocation – 140 acre feet (1.4 acre feet per acre x 100 acres)

Water Charge – \$8,300 [(\$65 per af x 100 acre feet) + (\$45 per af x 40 acre feet)] (\$83/acre for water)

Water Requests Exceeding 1.4 AF/A – Additional Contract Supply

If available, additional water may be purchased during the Contract Year without penalty. Growers requesting Additional Contract Supply, an amount greater than the automatic allocation of 1.4 af/a, can reflect this at the time of first installment payment. The amount of Additional Supply is unknowable until on or about April 16, 2025 which is one day after the first installment deadline. On or about April 18th the District will redistribute unallocated supply among those requesting Additional Supply on an equal af/a basis. For example, Additional Supply will be distributed in 0.1 af/a increments regardless of the request until Available Supply is depleted.

Energy Charge

A separate energy charge is estimated based on the previous year's cost by delivery-system to convey water will be added to pumped deliveries. In the 2024 Contract Year the energy charge by delivery-system ranged from approximately \$20 per af (af) to \$74 per af. Last year's average cost per af was \$46 per af with most of the pumped deliveries in the District near that average. Energy charge payments must be made at the time of the first installment payment and shall be based on the expected water delivered for the Contract Year and the estimated power cost associated with the delivery system used for delivery. The end of Contract Year meter readings and PG&E utility bills will "true-up" that estimated payment resulting in either an additional entity payable or refund to the entity.

Limited Credit for Contract Water Ordered and not Taken

Contract Water remaining in an entity's account as of March 1, 2026 exceeding 0.25 af per acre (af/a) will be non-refundable and non-creditable. This consideration allows entities to preserve 0.25 af/a for frost water demand and/or dry fall/winter irrigation demand without monetary risk for non-use. For each entity, all residual supply remaining up to 0.25 af/a will be credited at \$45 per af.

For example, if an entity owns 20 acres and orders 32 af of Contract Supply for use on those 20 acres, then 5 af of residual/unused supply as of March 1, 2025 will be creditable (0.25 acre feet/acre 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 af left, they would receive a credit of \$45. If the entity has between 5 and 32 af left, they will receive a credit of \$225.

Water Delivery

Water will not be 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 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 entity diverting Contract Supply 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 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 to the landowner to UNLOCK a locked delivery. Tampering with chains or locks will result in an additional \$200 administrative fee.

Water illegally diverted shall 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 comes into compliance 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 the water user's purchased supply is depleted, water delivery will stop. Delivery may 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 to 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 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.

Water Transfers

Transfer Fee

For water purchased at \$45 per af, the District will impose a \$20 per 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.

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 \$75/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 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.

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 a 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 with landowners issues that are important and dynamic. 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 damages, 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 tail-water. 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 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.

END OF 2025/26 RULES & REGULATIONS