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To: All CCID Landowners and Consumers

From: Board of Directors

Subject: Normal Water Year 2014 Water Rates and Quantities

Date: December 26, 2013

At the December 18, 2013 board meeting, the CCID Board of Directors adopted proposed 2014 Water Year tiered water rates and tiered water levels. The cost per acre-foot for each tier remains the same as 2013. However, in response to the long-term trend toward unsustainably high water sales in the 5-month period (January, February, March, November and December), the tiered levels have changed and the tiers will be in place for the entire year. In other words, a 0.5 a.f. per acre increase, which is approximately the amount of 5-month water available to CCID under the Exchange Contract, will be included in Tier 1, and the tiers will be in effect for the entire 2014 year.

The proposed adjustments to the tiered level and tier period could increase the amount charged to consumers. Our analysis indicates the rate change could impact about 17% of our in-District consumers.

**IN-DISTRICT WATER SALES – JANUARY THROUGH DECEMBER NORMAL YEAR**

- a. A 4-tiered rate schedule will apply to water used during the entire 2014 calendar year.

Tier 1	0 – 3.5 a.f./ac.	@	\$ 7.00/a.f.
Tier 2	3.5 – 4.0 a.f./ac.	@	16.00/a.f.
Tier 3	4.0 – 4.5 a.f./ac.	@	31.00/a.f.
Tier 4	4.5 a.f./ac. and up	@	61.00/a.f.

- b. The quantities above represent how much water we expect will be available, if needed, but the amounts are not guaranteed. The actual amount of water available is subject to the Bureau's ability to deliver water to us, and limitations in the Exchange Contract.

**DEVELOPED WATER – CLASS II LANDS**

Developed water for Class II lands will also be subject to tiered pricing during the 2014 calendar year. The first 3.5 a.f. per acre will be charged \$31.00 per a.f. on an "if and when available" basis. All usage in excess of 3.5 a.f. per acre in 2014 will be billed at \$61.00 per a.f.

MUNICIPAL AND INDUSTRIAL WATER

Municipal and Industrial (M&I) water will be available to those municipalities contracting with CCID, at \$55.00 per a.f.

ADDITIONAL INFORMATION

**2013 has turned out to be the driest calendar year of record, according to Central Valley Operations of the U.S. Bureau of Reclamation (USBR).**

Even though it is still too early in this year's precipitation season to make a water supply declaration for Central California Irrigation District and the Exchange Contractors, if these extremely dry conditions persist, then we would expect the USBR to declare a "Critical Year" for CCID and the Exchange Contractors.

**IF A CRITICAL YEAR IS DECLARED BY USBR IN FEBRUARY:**

1. Less surface water will be available and the Board of Directors will adopt a new tiered water rate schedule to reflect a 75% water supply.
2. There would be no water available from CCID for Class 2 lands.
3. There will be no transfers by the District of conserved water outside the District. Conserved water will be kept in CCID to supplement supplies to our own consumers.

PROPOSITION 218 NOTICE

If you are a CCID landowner, you have a right under California law to protest this adjustment of tiers which could affect water costs. Please read the following notice:

**NOTICE TO PROPERTY OWNERS AND WATER USERS  
OF RIGHT TO PROTEST TIERED PRICING CHANGES FOR WATER USE  
APPLICABLE TO WATER YEAR 2014**

NOTICE IS GIVEN that protests to the increased period when tiered water rates are in effect to the full calendar year, as described in the above notice, which potentially increases the charge for water use, during the period of January 1 through December 31, 2014, and which were adopted by the District in response to the long-term trend toward unsustainably high water sales in the 5-month period (January, February, March, November and December), may be filed in writing by landowners pursuant to Article XIII D Section 5 on or before Wednesday, February 12, 2014 at the hour of 8:30 a.m. at the District Office, located at 1335 West I Street, Los Banos, California 93635. The District will hold a hearing upon the tiered pricing changes and tabulate any protests at that time and place. An engineering report in regard to the basis of the charge is on file at the District office.

If you have any questions, please call the CCID office at (209) 826-1421.