



IMPERIAL IRRIGATION DISTRICT

OPERATING HEADQUARTERS • P.O. BOX 937 • IMPERIAL, CA 92251-0937

December 21, 2007

Dear Landowners and Tenants,

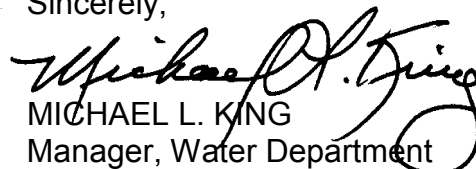
Imperial Irrigation District's (IID) Board of Directors has directed staff to begin the solicitation process necessary to implement the 2008-2009 Fallowing Program (FP). This will be IID's sixth fallowing program, with the conservation yield from participating fallowed fields used to meet both the water transfer and Salton Sea mitigation requirements described in the Quantification Settlement Agreement (QSA) and any overruns associated with IID's 3.1 million acre-feet cap. Attached to this letter is the solicitation announcement and forms outlining the general program concepts, participation guidelines, schedule, and contact information for the 2008-2009 Fallowing Program.

Fields selected to participate in the FP from this solicitation will be paid to lie fallow from July 1, 2008 through June 30, 2009. Payments will be set at a rate of \$85 per acre-foot per acre of a field's baseline water use history¹. All proposals that meet the eligibility guidelines and certain selection criterion will be offered contracts to participate in this Fallowing Program unless there is an over-solicitation. In the event that more fields are offered than are necessary to meet the IID's current fallowed water requirements, a random selection process will be utilized to determine the participants in the 2008-2009 Fallowing Program. Fields that are not offered contracts based on the random selection process may be "rolled over" and given the first opportunity to participate in the next FP.

Please read the attached solicitation announcement carefully for details of the 2008-2009 Fallowing Program. This information, along with previous FP data and draft contracts, can also be accessed at www.iid.com (please click on the appropriate "Fallowing" link on the Water Department webpage or go directly to http://www.iid.com/Water_Index.php?pid=267). Additional questions regarding any IID Fallowing Program should be directed to the Fallowing Hotline at (760) 339-9898 or emailed to fallowingprogram@iid.com. IID staff will respond to all inquiries in the order they are received as time allows.

All proposals must be received in the IID Water Manager's office **no later than noon on Friday February 1, 2008** in order to be considered for participation.

Sincerely,


MICHAEL L. KING
Manager, Water Department

¹ Baseline water use history will be calculated from a field's 10-year running average (1997-2006 for the 2008-2009 Fallowing Program) less the high and low years from that period, as approved by the IID Board of Directors on April 4, 2006. Additionally, for payment purposes the IID Board of Directors has capped the average annual water use of any field for purposes of this Fallowing Program at 6 acre-feet per acre.