Equitable Distribution Plan

Adopted December 11, 2007
Revised November 18, 2008
Revised April 07, 2009
Revised April 23, 2013
Revised May 14, 2013
1.0 **Purpose.**

1.1 **Purpose.** The Imperial Irrigation District ("District") is authorized by State law to adopt rules and regulations for the equitable distribution of water within the District. The District Board has approved a plan for the equitable apportionment of water (the "Equitable Distribution Plan") in any water year the expected demand for water is likely to exceed the supply expected to be available to the District. This Equitable Distribution Plan strictly prohibits individual landowners or water users from transferring water and/or water rights outside the IID service area, but does allow for an intra-district clearinghouse to allow for the movement of agricultural apportionments between IID agricultural water users and farm units within the Imperial Unit. Pursuant to Resolution No. 22-2008, the IID Board of Directors has adopted the following Regulations establishing the rules and procedures for the Equitable Distribution Plan.

2.0 **Terms and Definitions.**

2.1 **Agricultural Water.** Water used for irrigation and related agricultural purposes, fish farming, and algae farming.

2.2 **Agricultural Water Clearinghouse.** A program administered by the District or other entity authorized by the IID Board of Directors to provide a means by which qualified Agricultural Water Users can transfer water during a Water Year pursuant to Section 4.0 herein.

2.3 **Agricultural Water Distribution Board.** A committee of Agricultural Water Users and/or landowners designated to provide oversight and decision-making to the Agricultural Water Clearinghouse.

2.4 **Agricultural Water User.** A District Water User that uses Agricultural Water.

2.5 **Apportionment.** The equitable apportionment of water among District Water Users pursuant to Section 3.1 herein.

2.6 **Available Water Supply.** Colorado River Water available to the District minus District system losses, system efficiency conservation, 11,500 AF for miscellaneous Present Perfected Rights, and any Water Management Reduction.

2.7 **Conserved Water Rate.** The rate specified in the District’s Rate Schedule 13.

2.8 **Cropland.** Irrigable acreage within the District service area divided into fields based on the [proprietary] District Geospatial Data Base compiled from IID records, inspections and U.S. Consolidated Farm Service Agency (CFSA) Common Land Unit (CLU) standards, or other defined acreage database such as the assessor’s parcel records as recommended by an advisory committee and approved by the IID Board of Directors.
District. The Imperial Irrigation District.

District Conservation Assignment. Apportionment contractually or automatically assigned to IID for water conservation purposes from agricultural lands participating in or designated for participation in any District On-Farm Efficiency Conservation or Fallowing Programs or subject to the Temporary Land Conversion Fallowing Policy under the terms and conditions set forth in those program agreements or IID policies.

District Fallowing Program. A program administered by the District to create conserved water by fallowing agricultural lands under the terms and conditions set forth in the Temporary Land Conversion Fallowing Policy or under the terms and conditions set forth in agreements with owners and lessees of agricultural property or Farm Units to fallow these lands for water conservation purposes.

District On-Farm Efficiency Conservation Program. A program administered by the District to create conserved water under the terms and conditions set forth in agreements with owners and lessees of agricultural property to implement on-farm efficiency projects for water conservation purposes.

District System Conservation Program/Projects. An integrated package of system improvements to existing infrastructure and construction of new facilities designed to conserve water through targeted spill reductions, and related projects.

District Water User. Any user of Agricultural or Non-Agricultural Water supplied by the District.

Eligible Agricultural Acres. Acreage that meets all the following tests:

a. Cropland greater than 5 acres, used for crop production or algae farming
b. Current with water availability charges and water bills
c. Connected to District water distribution system

Farm Unit. Under the Water Card process, an Agricultural Water User can aggregate some or all of the fields (leased or owned) by the Water User, and for paying for water under the master water account (Farm Unit). The Farm Unit can be divided into subaccounts for billing to various entities. Fields can be added to or removed from a Farm Unit at any time but a field can only be in one Farm Unit at a time. The primary purpose of a Farm Unit is to allow an Agriculture Water User to order water on any field within the Farm Unit as long as there is a remaining water balance for the Farm Unit greater than the water order. Since fields can be added to or removed from a Farm Unit at any time, the IID must maintain a water balance by field. If a field balance is less than the order for that field, the IID must be notified concerning which field(s)
within the Farm Unit the water is being transferred from within 7 days of the water order or a prorated share from all fields with a remaining balance within the Farm Unit will be transferred to cover the shortfall. The amount of apportioned water available to the Agricultural Water User on the leased fields included in the Farm Unit must be approved by the land owner and lessee of those fields through the Application for Service (“Water Card”) process described in Regulation No. 3. Water can be added to a Farm Unit by transferring water through the Agricultural Water Clearinghouse but the transfer must be designated by field within the Farm Unit. An Agricultural Water User can have multiple Farm Units but cannot transfer water between Farm Units absent use of the Agricultural Water Clearinghouse. The priority of water use within a Farm Unit is 1) Accepted apportioned water authorized for use on the field, 2) Water from other fields authorized for transfer within the Farm Unit, and 3) Water from the Agricultural Water Clearinghouse.

2.17 Environmental Resources Water. Water that the District agrees to provide to habitat or other resource areas pursuant to regulatory permits (excluding water to the Salton Sea for the IID Transfer Project) and water that the District provides pursuant to contract or voluntarily to habitat or other resource areas.

2.18 Non-Agricultural Water. Water used for municipal needs, industrial needs, feed lots, dairies, or Environmental Resources Water.

2.19 Non-Agricultural Water User. A District Water User that uses Non-Agricultural Water within the District.

2.20 Overrun Payback Program. A program to be developed with the Agricultural Water Distribution Board or other entity authorized by the IID Board of Directors, in accordance with the federal Inadvertent Overrun and Payback Policy, in which the cost of and/or responsibility for any District payback obligation will be borne by those water users responsible for overrunning their apportionments in a Water Year (adjusted for any Clearinghouse water transferred into or out of a water user’s Farm Unit) should a District overrun occur in that Water Year.

2.21 Method of Apportionment. A method will be developed to determine the apportionment of water available for Agricultural Water Users during a Water Year. Apportionment models understood and discussed to date are historical, straight line, soil type and hybrids of a combination of these methods. The first implementation of the water apportionment program will utilize the straight line method as a pilot program starting May 1, 2013 and ending December 31, 2013.

2.22 System Loss. Either a direct loss or a reduction in water available for apportionment because of seepage, evaporation or other losses in the District distribution system, adjusted for calculated losses associated with reduced IID diversions.

2.23 Water Card. The common term for the “Certificate of Ownership and Authorization of Owner Designee or Tenant” described in Regulation No. 3 of the District’s Rules and Regulations Governing the Distribution and Use of Water. The
Water Card provides information i.e., cropland, name and address of owner and any lessees, APN, gate and canal providing water service, identity of person authorized to order water/receive notices from District, who is obligated to pay, and similar information.

2.24 Water Management Reduction. A reduction in water available for apportionment, or a percentage reduction in a Farm Unit’s Method of Apportionment, because of a district-wide overrun payback requirement mandatory conservation program, or regulatory limitation of or reduction in IID’s Colorado River supply.

2.25 Water Year. Each 12-month period that begins on January 1 and ends on December 31.

3.0 Equitable Distribution.

3.1 Apportionment of Supply. The District shall annually apportion the Available Water Supply among the types of water users in the District using the following criteria:

a. Municipal Users – Base amount of 2006 usage plus current District-wide average use per capita multiplied by the increase in population since 2006;

b. Agricultural Lands – The Method of Apportionment shall be as described in Subsection 2.21. The amount apportioned to acreage that has either suspended farming activities or is no longer receiving agricultural water service (such as renewable energy generation projects), and has been designated as suitable for the Temporary Land Conversion Fallowing Policy, is subject to a District Conservation Assignment.

c. Industrial Users – For existing contracts, estimated based on past use, not to exceed contracted amount and contract terms. For new contracts, estimated based on anticipated use, not to exceed contract amount and contract terms, taking into consideration the Integrated Water Resources Management Plan.

d. Feed Lots, Dairies and Fish Farms – Estimated based upon past use and consideration of future changes.

e. Environmental Resources Water—Estimated based upon the amount reasonably necessary to achieve the purposes of the District’s commitments, taking past use into account.

3.2 Non-Agricultural Water Users

a. District shall notify Non-Agricultural Users of their Apportionment no later than December 1, prior to the beginning of the Water Year.

b. Non-Agricultural Water Users shall be allowed to use that amount of water needed for reasonable and beneficial use. If a Non-Agricultural Water User exceeds the amount of apportionment quantified for its usage, the fee for the
excess amount of water shall be the Water User's standard water rate plus the Conserved Water Rate.

3.3 Agricultural Water Users.

a. Agricultural Water Users must complete and keep current the Water Card to receive an apportionment and delivery of water. As part of this process, Farm Units must be identified and kept current.

b. A written notice of the apportionment per Eligible Agricultural Acre and the number of Eligible Agricultural Acres per owner shall be sent to the land owner, lessee and the authorized representative no later than December 1 prior to the beginning of the Water Year.

c. The owner or authorized representative of Eligible Agricultural Acres must accept or reject in writing some or all of the Apportionment on a take-or-pay basis within sixty (60) days of the notice of the Apportionment. Payment for the accepted apportioned water shall be made monthly based on actual use or as provided by the Agricultural Water Distribution Board or other entity authorized by the IID Board of Directors. On December 31 of the Water Year, any remaining amount of the unused water part of the take-or-pay obligation will be included in the year end invoice.

d. Should the owner or authorized representative of any Eligible Agricultural Acres fail to accept or reject in writing some or all of the Apportionment on a take-or-pay basis as required, IID will provide water delivery service to an owner or lessee with a valid Water Card in an amount not to exceed the prorated Apportionment volume.

3.4 The IID Board of Directors may terminate an annual Apportionment limitation at any time at its discretion or upon recommendation of the Water Conservation Advisory Board. District shall track actual water demands during the Water Year.

4.0 Agricultural Water Clearinghouse.

4.1 Purpose. A mechanism to facilitate the movement of apportioned water between Agricultural Water Users between Farm Units. Management and operation of the Agricultural Water Clearinghouse may be delegated by the District to an entity authorized by the IID Board of Directors on a non-profit basis under rules approved by the IID Board of Directors, however all final transactions must be reported to the District for implementation.

4.2 Eligibility. Any Agricultural Water User with eligible agricultural acres can be a Transferee. Any Agricultural Water User with an accepted Apportionment may be a Transferor. All Transferees and Transferors must be current on their District water accounts and billings including all take-or-pay obligations.
4.3 Priority of Transfers. Water made available to the Clearinghouse for transfer will be apportioned under rules to be determined by the Agricultural Water Distribution Board or other entity authorized by the IID Board of Directors. Prior to the development of these supplemental rules, water will be apportioned proportionally, by acreage, to all Farm Units that have submitted a request for additional apportioned water.

4.4 Dispute Resolution. All disputes regarding water transferred into or out of the Clearinghouse will be resolved by the Agricultural Water Distribution Board or other entity authorized by the IID Board of Directors.

4.5 Agricultural Water Distribution Board Composition. This board shall be comprised of agricultural landowners, water users and/or representatives appointed by, or using a methodology approved by, the IID Board of Directors.

4.6 Clearinghouse Notice of Transfer. The Agricultural Water Clearinghouse reporting mechanism to document all transfers of apportioned water including the relevant transactional information to execute the transaction between the Transferor and Transferee.

4.7 Take-or-Pay Obligation for Water Transferred through the Agricultural Water Clearinghouse. The Transferee shall pay the District the total take-or-pay obligation amount due before the processing of any Notice of Transfer for the transferred water. The total amount due is based on the Acre-Feet of water transferred (not to exceed Clearinghouse Notice of Transfer) multiplied by the current District agricultural water rate. After the District processes the Clearinghouse Notice of Transfer, the Transferor shall have no further take-or-pay obligation for payment of that water. Any supplemental transactional information or fees associated with the transfer of the water between the Transferor and Transferee but not relevant to the implementation of the transaction are a private matter and shall not be reported to the District.

Interface With District Agricultural On-Farm Conservation and Land Fallowing Programs.

4.8 An Agricultural Water User that participates in the District's On-Farm Conservation or Fallowing Programs is subject to a District Conservation Assignment of his accepted Apportionment equal to the amount of water conserved by on-farm measures or fallowing for which the Agricultural Water User is contracted.

a. If the Agricultural Water User's accepted Apportionment is less than his On-Farm Conservation or Fallowing Program contracted amount, he must procure this difference from the following sources for which the Agricultural Water User qualifies pursuant to these Regulations: the Agricultural Water User's accepted Apportionment on other Eligible Agricultural Acres, or the Agricultural Water Clearinghouse.

b. If the Agricultural Water User's accepted Apportionment is more than his Fallowing Program contracted amount, he may use the difference on other
Eligible Agricultural Acres not participating in a District Agricultural Land Fallowing Program, on the fallowed field after the term of Fallowing Program, or offer it to the Agricultural Water Clearinghouse.

5.0 **Miscellaneous**

5.1 The General Manager is authorized and directed to do any and all things necessary to implement and effectuate these Regulations in a manner consistent with this policy, including the temporary modification of any dates necessary to facilitate implementation.