August 16, 2012

Dear Landowners and Tenants,

Imperial Irrigation District’s (IID) Board of Directors has directed staff to begin the solicitation process necessary to implement the 2013 Calendar Year Fallowing Program (FP). This will be IID’s eleventh 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), payback any overruns associated with IID’s 3.1 million acre-feet cap, and create water for storage. Attached to this letter are the solicitation announcement and application forms outlining the general program concepts, participation guidelines, schedule, and contact information for the 2013 Calendar Year Fallowing Program.

Fields selected to participate in the FP from this solicitation will be paid to lie fallow from January 1, 2013 through December 31, 2013. IID will also be allowing an early start for participants willing to fallow for a longer term (up to 6 months July 1, 2012 – December 31, 2012) in the 2012 calendar year with a prorated increase in the total contract value based on each additional month of fallowing. Payments will be set at a rate of $125 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.

Language to address the overlap with any IID Equitable Distribution Plan or any agricultural apportionment that might occur during the FP term is included in the FP contract, even though a supply/demand imbalance has not been declared for 2012 or 2013. In an effort to facilitate tenant/owner relationships, IID will provide a general notification to each field’s tenant of record upon receipt of a FP application, and will allow for an early start (with an associated payment modification based on the actual fallowed period and conservation yield calculation). This information, along with previous FP data and contract templates, can be accessed at www.iid.com (please click on the appropriate “Fallowing” link or go directly to www.iid.com/2013fallowingprogram). 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 applications must be received in the IID Water Manager’s office no later than noon on Wednesday September 19, 2012 in order to be considered for participation.

Sincerely,

David E. Bradshaw  
Assistant Manager Water Department  
Ag Water Management

¹ Baseline water use history will be calculated from a field’s 10-year running average (2001-2010 for the 2013 Calendar Year Fallowing Program) less the high and low years from that period, as approved by the IID Board of Directors on April 4, 2006. Additionally, payments may be affected by an IID trending analysis and the IID Board of Directors 6 acre-feet per acre payment cap.
Imperial Irrigation District

2013 CALENDAR YEAR FALLOWING PROGRAM

Solicitation Announcement

IID will also be allowing an early start for participants willing to fallow for a longer term (up to 6 months) term in the 2012 calendar year (and prior to the standard January 1st start date), with a prorated increase in the total contract value based on each additional month of falling.

The 2013 Calendar Year Fallowing Program (FP) consists of a voluntary proposal process designed to yield the annual fallowed water requirements outlined in the Quantification Settlement Agreement (QSA) water delivery schedule. This program will consist of a contract between the IID and participating landowners and/or tenants for a one-year falling period, during which time no water can be delivered to the contracted field.

For this solicitation, falling participants will be paid a set rate of $125 per acre-foot of a field’s Baseline water use history, although this payment may be affected by IID’s trending analysis and 6 af/acre payment cap. This outline is a general description of the Fallowing Program, application deadline, and contact information, for more details see www.iid.com/2013fallowingprogram.

Program Highlights

Purpose

- Fulfill the annual water transfer delivery schedule to the San Diego County Water Authority (SDCWA) and the Salton Sea mitigation delivery schedule associated with this transfer, manage IID’s annual 3.1 million acre-foot Colorado River consumptive use cap, payback previous year’s overuse or inadvertent overruns of Colorado River water, and create water for storage.

Eligibility Criteria

- Only whole fields with defined boundaries at least 10 acres in size.
- Each field proposed for falling must have been irrigated for crop production, leaching or duck ponds the previous 3 years, accounting for the years the field was contracted for an IID Fallowing Program.
- Each field proposed must have a water use history based on the Baseline adopted by the IID Board of Directors on April 4, 2006, with the addition of a 6 acre-feet per acre cap imposed. This Baseline will be determined using the average water use for each field from a 10-year running average (2001-2010 for the 2013 Calendar Year Fallowing Program) with the maximum and minimum years eliminated from the average.
- Ability to turn off water to fields with multiple tenants.
- Multiple fields and/or tenants sharing a single headgate must have verifiable water use records.
- Charges for delivered water and water availability subject to IID’s Regulation # 11 must not be delinquent.
- Field participation in IID Fallowing Programs is limited to two of every four years and if a field is in the program for two continuous years, it is not eligible for the subsequent two years.
- If a service pipe uses water from the headgate of a proposed field, the Fallowing Party must submit a written plan outlining how the service pipe needs will be accommodated and make arrangements to implement this accommodation prior to the Program start date.
- Each proposed field must remain zoned for agriculture during the contracted falling period.
- Any participant who has been involved in the breach of a previous Program may be deemed ineligible.

Selection and Payment Criteria

- Water yield per acre based on the water use history Baseline with payment capped at 6 acre-feet per acre
- Trend analysis, using more recent water history and cropping patterns, may affect payment
- Field location’s potential impact on Program's environmental, operational, and maintenance costs
• Potential contract limitations and constraints due to previous water commitments
• Previous verification, mitigation, and contract compliance history with other programs
• Verification that all eligibility criteria has been met in the program and agreement
• If fewer proposals are received than necessary to yield the required amount of water, IID may choose to complete a second solicitation. If the second solicitation requires a higher contract price, all 2013 Calendar Year FP participants will receive the same payment rate.

Contract Provisions

• Tenants are responsible for obtaining all landowner approvals for program participation.
• Fallowing Party will consider the impact of fallowing lands subject to a Williamson Act Contract.
• Fallowing Party shall be responsible for weed control and expense as required by Imperial County’s Weed Abatement Ordinance
• Fallowing Party shall be responsible for dust control as described in the Agreement. After proof of performance, participant will be reimbursed for pre-approved dust mitigation Best Management Practices.
• Should IID implement an Equitable Distribution Plan during any portion of the fallowing term, the Fallowing Party shall be responsible for conveying to IID the contracted fallowed water volume prior to receiving any payment.
• Requisite water card required for each participating field.

Tentative Schedule (subject to change)

August 16, 2012 (Thursday) Application solicitation period begins.

September 19, 2012 (Wednesday) All proposals must be received by the IID Water Manager’s office no later than noon (12:00 p.m.) to be considered for the 2013 Calendar Year FP.

November 21, 2012 (Wednesday) IID will begin issuing contracts to those landowners and/or tenants who are eligible and satisfy the criteria above. Contracts must be completed, signed, and received by the IID Water Manager’s office within 3 weeks of postmarked issuance date. As contracts are declined or expire, additional contracts will be issued until all Fallowed Water Requirements are met.

January 1, 2013 (Tuesday) IID will finalize and execute all 2013 Calendar Year FP contracts and lock the delivery gates of participating fields.

Contact Information

2013 Calendar Year Fallowing Program proposal forms and related documents are available at all IID Water Division offices or can be downloaded at www.iid.com (please click on the appropriate “Fallowing” link or go directly to www.iid.com/2013fallowingprogram ). Additional questions regarding the IID Fallowing Program should be directed to the Fallowing Hotline at (760) 339-9898 or fallingprogram@iid.com.

Return, fax, or email completed applications on or before noon September 19, 2012 to:

Mail
 IID – Ag Water Management
 Attention: 2013 Calendar Year Fallowing Program
 333. E. Baroni Blvd.
 Imperial, CA 92251

Fax
 (760) 339-9121 attn: 2013 Calendar Year Fallowing Program

Email
 fallingprogram@iid.com
Imperial Irrigation District
2013 Calendar Year Fallowing Program
Land Fallowing Application

Submitted By
Please Print

Total Number of Fields Submitted
Please complete one FIELD APPLICATION FORM for each field. Each field will be considered separately.

Comments

I (we) the undersigned certify that to the best of my (our) knowledge the attached information is true and accurate. I (we) also certify that 1) I (we) am (are) current on all IID water delivery and availability charges subject to IID's Regulation No. 11, 2) there are no prior contracts or commitments attached to the field(s) which would alter or affect my (our) ability to fallow this ground for one or two years and 3) I (we) have the legal authority to fallow the proposed field(s) and execute a contract to do the same.

Print Name
Signature
Date
Address
Phone(s)
Fax
Email

Print Name
Signature
Date
Address
Phone(s)
Fax
Email

Attach more sheets if necessary for additional signatures and/or contact information.
Imperial Irrigation District
2013 Calendar Year Fallowing Program
FIELD APPLICATION FORM
(one form required for each field)

Submitted By
Please Print

□ Owner
□ Tenant

Canal

APN(s)

Gate

Account No.

Owner

Tenant

LAST 3 CALENDAR YEARS

last year

2 years ago

3 years ago

Crops Grown

Total Acreage

List only the farmable (CFSA) acreage

Would you be interested in a one year or two year contract?

□ one year
□ two consecutive years

Is this field currently participating in the IID/MWD conservation program?

□ Yes
□ No

Was this field in previous IID Fallowing Programs?

□ 09-10 FP
□ 10-11 FP
□ 11-12 FP
□ 12-13 FP

Does this field have an option for solar generation or being considered for solar generation?

□ Yes
□ No

Does the headgate for this field supply water to any other fields or structures?

□ Yes
□ No
If yes, what is your plan to continue service to any structures or buildings?

________________________________________________________________________

________________________________________________________________________

Is there any other information relevant to this field and/or field history that IID should be aware of?
(ownership change, parcel split, on-site structures, non-cropped portions of field, change in field history, etc.)

________________________________________________________________________

Please note that IID will notify the tenant of record for all fields submitting FP applications.
## Imperial Irrigation District
### 2013 Calendar Year Fallowing Program
### Participant Summary

<table>
<thead>
<tr>
<th>Canal</th>
<th>Gate</th>
<th>FSA Acreage</th>
<th>Start Date</th>
<th>End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 B</td>
<td>44</td>
<td>93.4</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>2 C West</td>
<td>41</td>
<td>31.7</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>3 Dogwood</td>
<td>14</td>
<td>67.3</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>4 Dogwood</td>
<td>15</td>
<td>96.2</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>5 Dogwood</td>
<td>17</td>
<td>139.4</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>6 Dogwood</td>
<td>43A</td>
<td>20.6</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>7 Elder</td>
<td>89</td>
<td>25.1</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>8 Eucalyptus</td>
<td>111</td>
<td>137.2</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>9 F</td>
<td>20</td>
<td>147.1</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>10 G</td>
<td>22</td>
<td>144.8</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>11 G</td>
<td>12</td>
<td>78.7</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>12 East Highline</td>
<td>8</td>
<td>144.8</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>13 J</td>
<td>8</td>
<td>144.8</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>14 J</td>
<td>10</td>
<td>154.8</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>15 K</td>
<td>8</td>
<td>71.6</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>16 Lavender</td>
<td>5B</td>
<td>142.3</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>17 Mayflower</td>
<td>18</td>
<td>144.5</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>18 Malva 2</td>
<td>1</td>
<td>35.2</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>19 Narcissus</td>
<td>15</td>
<td>74.3</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>20 Narcissus</td>
<td>15A</td>
<td>73.4</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>21 Narcissus</td>
<td>16A</td>
<td>77.0</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>22 Narcissus</td>
<td>16A</td>
<td>69.3</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>23 Orient</td>
<td>4</td>
<td>149.9</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>24 Pine</td>
<td>28</td>
<td>72.3</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>25 Rockwood</td>
<td>173A</td>
<td>110.6</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>26 South Date</td>
<td>11</td>
<td>68.3</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>27 Standard</td>
<td>17</td>
<td>69.8</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>28 Standard</td>
<td>17A</td>
<td>71.9</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
<tr>
<td>29 Westside Main</td>
<td>60</td>
<td>23.2</td>
<td>12/01/12</td>
<td>12/31/13</td>
</tr>
</tbody>
</table>

**2013 CY Fallowing Program Total Acreage = 2,679.8**

**2013 CY Fallowing Program Provisional Water Yield at-Farm (AF) = 17,494.6**

**2013 CY Fallowing Program Provisional Water Yield at-River (AF) = 18,122.7**

**2013 CY Fallowing Program Contracts Expense = $2,108,882**