Dear Landowners and Tenants,

Imperial Irrigation District's (IID) Board of Directors has directed staff to begin the solicitation process necessary to implement the 2007-2008 Fallowing Program (FP). This will be IID's fifth falling 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). Attached to this letter is the solicitation announcement and forms outlining the general program concepts, participation guidelines, schedule, and contact information for the 2007-2008 Fallowing Program.

Fields selected to participate in the FP from this solicitation will be paid to lie fallow from July 1, 2007 through June 30, 2008. Payments will be set at a rate of $75 per acre-foot per acre of a field's baseline water use history. 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 2007-2008 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 2007-2008 Fallowing Program. This information, along with previous FP information and draft contracts, can also be accessed at www.iid.com (please click on the appropriate "Fallowing" link or go directly to http://www.iid.com/Water_Index.php?pid=2797). 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 January 31, 2007 in order to be considered for participation.

Sincerely,

Michael L. King
Manager, Water Department

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1 Baseline water use history will be calculated from a field's 10-year running average (1996-2005 for the 2007-2008 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.
Imperial Irrigation District

2007-2008 FALLOWING PROGRAM
Solicitation Announcement

The 2007-2008 Fallowing Program 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 fallowing period, during which no water can be delivered to the contracted field.

For this solicitation, fallowing participants will be paid a set rate of $75 per acre-foot of a field’s baseline water use history. This outline is a general description of the Fallowing Program, application deadline, and contact information.

Program Description

Program 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

Eligibility Criteria:
- Only whole fields with defined boundaries at least 10 acres in size.
- Each field proposed for fallowing 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 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 agriculture for the contracted fallowing period.
- Any Fallowing Party 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 capped at 6 acre feet per acre
- Trend analysis using more recent water history and cropping patterns
- Field location’s potential impact on 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 2007-2008 FP participants will receive the same payment rate.

• If more proposals are received than necessary to yield the required water, a random selection process will be utilized to determine the 2007-2008 Fallowing Program participants. Those fields that are not offered contracts based on the random selection process may be rolled over into the next Fallowing Program and given first priority if needed.

**Contract Provisions:**

• Tenants are responsible for obtaining all landowner approvals for program participation.

• Participant will consider the impact of falling lands and how it affects the California Land Conservation Act of 1965 (Williamson Act) if land is 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 for Fallowing and after proof of performance participant will be reimbursed according to a pre-established schedule for all IID approved dust mitigation Best Management Practice (BMP).

**Timeline and Deadlines:**

**December 22, 2006**
Open solicitation period begins. Upon request, annual water history data will be sent to applicants for each field proposal submitted. (Landowner signature is required by fax or mail to release data for water history requests.)

**January 31, 2007**
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 2007-2008 Fallowing Program.

**March 16, 2007**
IID will issue contracts to those landowners and/or tenants who are eligible and satisfy the criteria above. Proposals that were not selected to participate in the Fallowing Program will be notified in writing as well.

**April 5, 2007**
All completed and signed contracts must be returned to the IID Water Manager’s office no later than noon (12:00 p.m.) to participate in the 2007-2008 Fallowing Program.

**July 1, 2007**
IID will finalize and execute all 2007-2008 Fallowing Program contracts and lock the delivery gates of participating fields.

**Contact Information:**
2007-2008 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 http://www.iid.com/Water_Index.php?pid=2797). Additional questions regarding the IID Fallowing Program should be directed to the Fallowing Hotline at (760) 339-9898 or emailed to fallingprogram@iid.com.

**Return or fax completed proposals on or before noon January 31, 2007 to:**

**Mail to:**
IID - Resources Planning and Management
Attention: 2007-2008 Fallowing Program
333. E. Barioni Blvd.
Imperial, CA 92251

**Fax to:**
(760) 339-9121
Attention: 2007-2008 Fallowing Program

**Email to:**
fallowingprogram@iid.com
ATTACHMENT C
One Year Land Fallowing Proposal

Submitted By ____________________________
Please Print

Total Number of Fields Submitted ____________
Note: Please complete one FIELD PROPOSAL 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 year 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 ____________________________
Address ____________________________
Phone ____________________________
Fax ____________________________
Email ____________________________

Print Name ____________________________
Signature ____________________________
Address ____________________________
Phone ____________________________
Fax ____________________________
Email ____________________________

Attach more sheets if necessary for additional signatures and/or contact information.
**ATTACHMENT C**
**FIELD PROPOSAL FORM**
**ONE YEAR LAND FALLOWING**
(one form required for each field)

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**LAST 3 CALENDAR YEARS**

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Note years field contracted for fallowing

**TOTAL ACREAGE**

List only the farmable acres (FSA Acreage)

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Is this field contracted under the Williamson Act?  
YES OR NO

Is this field currently participating in any efficiency conservation programs?  
YES OR NO

Does the headgate for this field supply water to a building?  
YES OR NO

If yes, what is your plan to continue service to the building?  

_________________________________________________________________
Imperial Irrigation District
On-Farm Fallowing Program Plan

I. Purpose

The purpose of the On-Farm Fallowing Program (Program) is that willing land owners and/or lessees (Fallowing Party) will contract with the Imperial Irrigation District (IID) to fallow fields to meet the following water needs for the first 15 years of the IID/SDCWA and QSA Compromise Delivery Schedule (See Attachment A):

- Transfer to the SDCWA and related Salton Sea mitigation.
- Management of annual 3.1 million acre feet consumptive use entitlement cap (total river diversions less losses and QSA water requirements).
- Pay back of any Colorado River inadvertent overruns from the previous year(s).

II. Organization

The IID will be completely responsible for the implementation and administration of the Program. The Manager of the Water Department will direct the Program and assign and/or hire staff and consultants as needed to carry out the activities of this Program. An Appeals Committee will be established by the Water Conservation Advisory Board to act as arbitrators in cases where the Fallowing Party disagrees with the information used by the IID in the evaluation of fields to be included in the Program.

III. Process

The Program is based on voluntary participation by Fallowing Parties and is intended to be flexible and changeable as required. At least once a year the IID will solicit proposals to meet the fallowing water requirements for that year as described below in Section IV. For each solicitation the IID will set a price per acre foot of water yield from fields to be included in the Program that year. The water yield from a proposed field will be based on the Baseline¹ adopted by the Board of Directors. Fallowing Parties will offer their fields for fallowing in response to the IID solicitation where water that would normally be used for irrigation of those fields will be used to meet the objectives of the Program.

¹ As of April 4, 2006 the Baseline is a 10-year running average based on the recent water use history (1996-2005 for the 2007-2008 Fallowing Program) of each field, with the maximum and minimum years eliminated from this period.
The IID will evaluate the eligible fields offered in the proposals using defined evaluation criteria and offer contracts to the Fallowing Parties of the fields selected (See Section VII below). Those fields which meet the evaluation criteria but are not selected may be offered contracts for the next solicitation if necessary to meet Program water requirements. Any Fallowing Party that offers a field for fallowing and it is eliminated from the selection process by IID, may request the Appeals Committee to review the data used by IID for their specific field. If the data is found to be erroneous by the committee, the field can then be reinstated as an eligible field for the Program.

As noted in the Process Diagram on Attachment B, a second solicitation may be required if the estimated amount of unused irrigation water from fallowing the selected fields does not meet the total annual Fallowing Water Requirements defined below. Each Program will have a standard payment rate (dollars per acre-foot) for all contracted fields, so that any increases in rate for subsequent solicitations will apply to all Program participants. Once the contracts are executed, contract provisions will be verified before payments are made as described in Section VIII below. This entire process will repeat every year during the 15 years of the Program, and could be repeated more often as required. Following is a description of each step of the process.

IV. Determination of Fallowing Water Requirements

Each year no later than January 15\textsuperscript{th}, the IID will determine the Fallowing Water Requirements (FWR) needed from fallowing ground for the Program from July 1\textsuperscript{st} of the current year to June 30\textsuperscript{th} of the following year. The FWR will be based on:

- The USBR Colorado River Water Accounting to determine the amount, if any, of inadvertent overrun that will need to be paid back according to the Inadvertent Overrun and Payback Policy (IOPP);
- The IID/SDCWA and QSA Compromise Delivery Schedule to determine the amount of water needed for transfer and for Salton Sea mitigation;
- The amount of forecasted water deliveries plus losses and QSA water obligations projected to exceed the 3.1 million acre feet Colorado River diversion cap; and
- The estimated amount of water from IID owned lands (if any) to be included in the Program that year.

V. Determination of Contract Price per Acre Foot of Water

A cash flow analysis has been completed to determine the funding needs to implement the Program. This cash flow is based on the three components of the conservation and transfer program:

- On-Farm Fallowing Program,
- System Efficiency Program,
- On-Farm Efficiency Program.
Each year the cash flow analysis will be reviewed to determine the funds available for contracting conserved water from fallowing. From this analysis, a price per acre foot will be set to assure the Program will meet the remaining transfer program funding requirements.

VI. Solicitation

Each year no later than January 15th, the IID shall issue a Request for Proposals (RFP) to fallow fields in order to conserve the water needed for the Fallowing Water Requirements for July 1st – December 31st of the current year and January 1st through June 30th of the following year.

In order for fields to be considered for selection, the following criteria must be met by each field:

**Eligibility Criteria**

- Only whole fields with defined boundaries at least 10 acres in size.
- Each field proposed for fallowing 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\(^1\) adopted by the IID Board of Directors, with the addition of a 6 acre feet per acre cap imposed for payment purposes.
- Ability to turn off water to fields with multiple tenants.
- Multiple fields and/or tenants sharing a single headgate must have specific and verifiable water use records.
- Charges for delivered water and water availability subject to IID’s Regulation # 11 must not be delinquent.
- Field participation in the Program 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 agriculture for the contracted fallowing period.
- Any Fallowing Party who has been involved in the breach of a previous Program may be deemed ineligible at the sole discretion of IID Water Manager.

**Proposals**

In addition to meeting the Eligibility Criteria, to be considered for selection the proposals MUST include the following information for each field proposed to be fallowed:
• Canal and Gate(s)
• APN (s)
• Owner’s name and tenant’s name
• Farm Service Agency (FSA) acreage (acres)
• Crops grown each year over the past 3 years (accounting for the years field contracted for fallowing) based on FSA reporting and/or District records
• Prior contracts and commitments attached to the field including all previous fallowing or efficiency conservation program participation
• Williamson Act participation
• Written plan and schedule to accommodate service pipes
• Additional pertinent field information such as on-site buildings (i.e., residential or business structures)
• Original signatures of all legal representatives of the field.

Sample proposal forms are attached (See Attachment C).

VII. Selection

Each proposal will be evaluated by the IID to verify the information furnished is accurate and correct based on data available from IID records. The potential water yield of each proposed field will be set based on the following criteria:

• Baseline\(^1\) water use.
• Each field that has previously participated in an IID Fallowing Program will have its water history reconstructed for those contracted fallowing periods based on the field’s fallowed water yield. These reconstructed values will be used in calculating the Baseline\(^1\).
• In addition, up to three years of more recent water use data (or more if the field was contracted for fallowing any of the previous 3 years) will be analyzed to determine changes or forecast trends in water use.
• Using the water yield for each field and the Fallowing Water Requirements to determine the number of fields to contract, the following criteria will be used to select those proposals to be offered contracts.

**Evaluation Criteria**

• Only those fields meeting eligibility criteria will be considered
• If there are more eligible fields than needed to meet the FWR, a computer based random selection process to prioritize Program participation based on FWR will be used.
• Potential limitations based on prior contracts, commitments, and past verification information (i.e. IID/MWD TRS)
• Location of proposed fields and potential effect on environmental mitigation costs, IID operation and maintenance costs, socioeconomic impacts, and other pertinent field attributes.
- Ability to accommodate service pipes and/or multiple fields sharing a single delivery gate.

VIII. Appeals Process

Once the selection process is complete but not later than 60 days after the proposal due date, the IID will notify all those submitting proposals of the intent to issue or not issue contracts. Within 10 working days, those Fallowing Parties submitting proposals that are not selected and believe there was an error in the information considered, can request (in writing) the Appeals Committee to review the proposal for further consideration. If the Appeals Committee determines there was an error in the information considered, the IID will reevaluate the proposal and if required adjust the list of proposals accepted or include the field in the next available Program.

IX. Contracts

A sample contract is included in Attachment D.

X. Contract Payments

Once the contract is executed, three equal payments will be made. The first payment shall be made within 90 days of the Start Date of the contract. The second payment shall be made approximately six months from the Start Date of this Contract. Both payments will be made only after IID verifies that the Fallowing Party is in compliance with the Contract and has no delinquent Water Department accounts as outlined in IID’s Regulation #11. The Final payment shall be made after IID determines the Fallowing Party has met all provisions of the Contract, but not later than 90 days from the completion of the Term of the Contract.

XI. Contract Provisions

- Tenants are responsible for obtaining all landowner approvals for program participation prior to submitting a solicitation form.
- Participant will consider the impact of fallowing lands and how it affects the California Land Conservation Act of 1965 (Williamson Act) if land is 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 for Fallowing and after proof of performance participant will be reimbursed according to a pre-established schedule for all IID approved dust mitigation Best Management Practices (BMP).

XI. Contract Breach

- Fallowing participants found in breach of the Program (i.e. applying water to a
fallowed land for crop purposes) must cure the breach within 24 hours of notification. Administrative costs and financial penalties related to the breach incident(s) and replacement of lost water conservation yield as a result of the breach will be deducted from any remaining contract payments or assessed on the Fallowed Party.

- Breach of any Program contract may result in the Fallowing Participant being deemed ineligible for future conservation programs at the discretion of the Water Department Manager.
ATTACHMENT A

COMPROMISE IID/SDCWA AND QSA DELIVERY SCHEDULE
### EXHIBIT __
### COMPROMISE IID/SDCWA AND QSA DELIVERY SCHEDULE

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1 or MWD if CVWD declines to acquire.
ATTACHMENT C

SAMPLE PROPOSAL
ATTACHMENT C
One Year Land Fallowing Proposal

Submitted By

Please Print

Total Number of Fields Submitted

Note: Please complete one FIELD PROPOSAL 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 year 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

Address

Phone

Fax

Email

Print Name

Signature

Address

Phone

Fax

Email

Attach more sheets if necessary for additional signatures and/or contact information.
ATTACHMENT C
FIELD PROPOSAL FORM
ONE YEAR LAND FALLOWING
(one form required for each field)

SUBMITTED BY

CANAL [ ] APN(s) [ ]
GATE [ ]
ACCT. NO. [ ]
FIELD NAME [ ] (optional)
OWNER [ ]
TENANT [ ]
LIEN HOLDER [ ]

LAST 3 CALENDAR YEARS

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<th>Last year</th>
<th>2 years ago</th>
<th>3 years ago</th>
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Note years field contracted for fallowing

TOTAL ACREAGE [ ]
List only the farmable acres (FSA Acreage)

Is this field contracted under the Williamson Act? [ ] YES OR NO

Is this field currently participating in any efficiency conservation programs? [ ] YES OR NO

Does the headgate for this field supply water to a building? [ ] YES OR NO

If yes, what is your plan to continue service to the building? ______________________________________
ATTACHMENT D

CONTRACT
AGREEMENT FOR FALLOWING LAND
IN THE IMPERIAL IRRIGATION DISTRICT

THIS AGREEMENT FOR FALLOWING LAND IN THE IMPERIAL IRRIGATION DISTRICT ("Agreement") is made and entered into as of the 1st day of July 2007, by the Imperial Irrigation District ("IID") and the person(s) or entity referred to as "Fallowing Party" listed on the signature page of this Agreement (collectively, "Parties"), each of which is at times referred to individually as Party.

RECITALS

A. IID, as a trustee under the California Irrigation District Law, holds water rights to and diverts water from the Colorado River for distribution and use within its service area.

B. IID has completed an environmental assessment of proposed water conservation and transfer activities pursuant to the California Environmental Quality Act ("CEQA"), as set forth in a Final EIR/EIS for the IID Water Conservation and Transfer Project certified by IID in June 2003, as supplemented by an Amended and Restated Addendum thereto certified by IID in October 2003 (collectively, "Transfer EIR").

C. IID has entered into a conserved water transfer agreement with the San Diego County Water Authority ("SDCWA") which involves the creation of conserved water by fallowing until 2017 for transfer to SDCWA and/or use for environmental mitigation of impacts of reduced inflow to the Salton Sea. In addition, IID has entered into an agreement with the United States and others to limit its diversions under Priority 3 and to repay certain "overuse" on an agreed-upon schedule. IID will create conserved water by fallowing for those purposes as well.

D. Fallowing Party owns or leases agricultural property within the IID service area described and/or depicted on Exhibit A attached hereto ("Fallow Lands").

E. If Fallowing Party is a lessee of the Fallow Lands, the identity of the lessor, any sublessee, and the fee owner, and the remaining term of the lease or sublease is identified on Exhibit B attached hereto.

F. Fallowing Party is willing to fallow the Fallow Lands for the limited time period and in accordance with the other terms and conditions set forth herein, in order to assist IID in meeting its obligations described above.

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE RECITALS AND THE COVENANTS AND OBLIGATIONS SET FORTH HEREIN, THE PARTIES AGREE AS FOLLOWS:
1. Term

The term of this Agreement ("Term") shall commence on July 1, 2007 ("Start Date") and expire on June 30, 2008.

2. Payment

As consideration for Fallowing Party's performance of its obligations hereunder, IID shall make payments to the Fallowing Party in the following manner:

A. Payment for Fallowing.

The total amount of $_______ ($75/acre-foot x ## acres x #/.# acre-feet/acre) shall be divided into three (3) equal payments. The first payment shall be made on or before August 31, 2007. The second payment shall be made before December 31, 2007, provided that IID has verified that Fallowing Party is in compliance with this Agreement. The third and final payment shall be made no later than August 31, 2008, provided that IID has verified that Fallowing Party has fulfilled all of its obligations under this Agreement. If at any time the IID determines that Fallowing Party is in noncompliance with this Agreement or delinquent on any water accounts, payments may be suspended as provided in Section 12.

B. Payment for Dust Control and Mitigation.

Fallowing Party shall be reimbursed for the costs of IID-approved Best Management Practices (BMPs) for dust control and mitigation compliance in conformance with Exhibit D in two (2) equal payments. The first payment shall be made before December 31, 2007, provided that IID has verified that Fallowing Party is in compliance with this Agreement. The second and final payment shall be made no later than August 31, 2008, provided that IID has verified that Fallowing Party has fulfilled all of its obligations under this Agreement. If at any time the IID determines that Fallowing Party is in noncompliance with this Agreement or has not implemented the IID-approved Dust Control BMP reported as per Exhibit D, payments may be suspended as provided in Section 12. For purposes of dust control and mitigation cost reimbursement under this subsection, costs shall be based upon the Dust Control BMP Reimbursement Schedule issued annually by the IID and associated with the pre-selected and IID-approved Dust Control BMP implemented by the Fallowing Party, as required by Exhibit D, that would not have been incurred by Fallowing Party if Fallowing Party had not been a Party to this Agreement.

3. Applicability of Williamson Act

Fallowing Party represents that, either:

A. No portion of the Fallow Lands is subject to a contract pursuant to the California Land Conservation Act of 1965 ("Williamson Act") with the County of Imperial or other agency; or
B. If all or any portion of the Fallow Lands is subject to a Williamson Act contract, said contract does not prohibit falling of the Fallow Lands as required pursuant to this Agreement.

This Agreement is not intended to impede or prevent compliance with any Williamson Act contract applicable to the Fallow Lands or to adversely affect any rights or benefits accruing thereunder.

4. **Fallowing Party Representations and Warranties**

The Fallowing Party represents and warrants to IID the following:

A. The Fallow lands are within the IID Service Area receiving water.

B. Fallowing Party is either the fee title owner of the Fallow Lands or the lessee of the Fallow Lands and as such, has the full right, power and authority to execute this Agreement and to carry out each and every obligation hereunder. To the best of Fallowing Party's knowledge, no legal impediment exists regarding the Fallow Lands to prevent Fallowing Party from entering into or performing under this Agreement; this Agreement will be a legal and binding obligation of Fallowing Party enforceable against Fallowing Party in accordance with its terms and will not violate any provisions of any agreement to which Fallowing Party is a party or to which Fallowing Party is subject; and Fallowing Party’s agreement to fallow the Fallow Lands does not and will not violate applicable laws or recorded documents affecting the Fallow Lands.

C. The Fallow Lands have not been contracted for falling for two of the three previous falling programs.

D. The Fallow Lands are whole fields equal to or greater than (10) acres with defined historic boundaries.

E. The Fallow Lands have been irrigated for crop production or leaching, or used as duck ponds the previous three (3) years, excluding the years contracted for falling.

F. The Fallow Lands would have been planted for agricultural production in the crop(s) identified on Exhibit C, leached or used as duck ponds during the Term of this Agreement had the lands not been fallowed pursuant to this Agreement.

G. All information submitted by the Fallowing Party to the IID in Fallowing Party's Proposal to Fallow is true and correct as of the time of submittal and as of July 1, 2007. This contract is only valid for the Fallowing Party submitting the Proposal to Fallow and is not transferable prior to execution.

H. The Fallow Lands are zoned agriculture and Fallowing Party will take no action to cause or support a change in such zoning during the contracted-for fallowing period.
I. Fallowing Party acknowledges that IID retains all water rights to the Colorado River in its name and control as a trustee under the California Irrigation District Law, and no water rights or other rights to water are created by this Agreement.

J. Fallowing Party has provided IID with an accurate and complete written plan and schedule to accommodate service pipes.

5. Obligations of Fallowing Party

A. Fallowing

Fallowing Party shall fallow the Fallow Lands during the Term defined in this Agreement which requires that there be no irrigation, application or use of water thereon during the Term.

B. Dust Control and Mitigation Requirements

Fallowing Party shall be responsible for and undertake the timely control of all dust on the Fallow Lands as described on Exhibit D, and shall provide to IID proof of performance and evidence of the costs and expenses incurred for dust control and mitigation requirements. Fallowing Party must complete and return the mitigation reporting forms according to the deadlines established in Exhibit D, and Dust Control BMPs must be selected and approved by IID prior to implementation or July 1, 2007, whichever is earlier.

C. Weed Control

Fallowing Party shall be responsible for and undertake the timely control of all weeds on the Fallow Lands as required by the Imperial County Ordinance, Title 9, Division 18; “ABATEMENT OF WEEDS AND OTHER VEGETATION.”

D. Water Charges and Fees

Fallowing Party shall continue to be responsible for all water delivery and water availability charges on lands owned and leased within the IID service area subject to IID’s Regulation No. 11 as if this Agreement were not in effect, and all such charges shall be timely paid before they become delinquent or IID may withhold Fallowing Payments until such time that the Fallowing Party is current on such charges.

E. Taxes

All real and personal property taxes, assessments or other charges of every description levied on or assessed against the Fallow Lands or improvements on the Fallow Lands shall remain the sole responsibility of the Fallowing Party. All tax payments shall be made directly to the charging authority prior to delinquency.
F. **Insurance**

Fallowing Party shall acquire and maintain liability insurance coverage on the Fallow Lands in the amount of $1,000,000 and shall name IID as an additional insured on each such policy. Proof of such insurance coverage shall be provided to IID by a copy of an applicable document from the insurer at the time of execution of this Agreement and upon renewal of the policy during the following period. Each proof of insurance shall also specifically identify the Fallow Lands by its canal and gate delivery point.

G. **Right of Entry**

Fallowing Party agrees that IID and its designees shall have the right to enter the Fallow Lands and, to the extent necessary, other land owned or leased by Fallowing Party for the purpose of verification, monitoring, and enforcement of compliance with this Agreement.

H. **If Land is Already Subject to Leases or Contracts**

Fallowing Party shall be responsible for compliance with the terms, covenants and conditions of any existing leases and/or contracts affecting the Fallow Lands, and shall defend, indemnify and hold IID harmless from any and all claims by third parties for damages allegedly related to this agreement or to the performance thereof.

6. **Governing Law**

This Agreement shall be interpreted, governed by and construed under the laws of the State of California.

7. **No Third-Party Rights**

The Parties do not intend to create rights in or to grant remedies to any third party as a beneficiary of this Agreement.

8. **Assignment**

This Agreement shall be binding upon and inure to the benefit of the Parties and their permitted successors and assigns. No Party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other Party hereto. Formal consent shall require that the parties fully execute a separate agreement as provided by the IID.

9. **Change in Legal Status Affecting Fallow Lands**

Notwithstanding that which is provided in Section 8, any activity affecting the legal status of the Fallow Lands during the term of this Agreement shall carry forward all obligations provided in the Agreement. Any party acquiring title to the Fallow Lands or taking assignment or sublease of the lease of the Fallow Lands shall be bound to the Term of this Agreement as if a signatory. Fallowing Party shall give notice of this obligation to any such party prior to effecting any change in the legal status of the Fallow Lands. In the event of any change affecting the legal
status of the Fallow Lands, Fallowing Party shall notify IID in writing within ten (10) days of such change.

10. **Legal Effect on Fallow Lands**

Except as otherwise expressly stated herein, nothing herein shall be construed as affecting the legal status of the Fallow Lands, including, but not limited to, the effect of liens, encumbrances, statutory or regulatory requirements, or entitlements. Fallowing Party agrees that IID is not responsible for, and no action or conduct of IID, its staff or other representatives, shall be construed as advice or identification of the legal effect or consequences, if any, of the Fallowing Party’s decision regarding fallowing.

11. **Non-precedent**

Nothing contained in this Agreement, nor the execution of this Agreement, shall be deemed to give the Fallowing Party any rights to obtain any similar agreement after the expiration of the Term. In addition, IID reserves the right to change any rules governing the fallowing of land to create conserved water in any future agreement and to determine the provisions of any future agreement relating to the fallowing of land to create conserved water.

12. **Noncompliance with Terms of Agreement**

If IID determines at any time that the Fallowing Party is in noncompliance with or has breached this Agreement, the Fallowing Party will be provided notice of such noncompliance or breach at the address or contact information provided in Section 15, and shall have twenty-four (24) hours from the time of such notice to cure the noncompliance or breach. If the noncompliance or breach is not timely cured, remaining payments may be withheld by IID. In addition, Fallowing Party will be responsible for any other losses suffered by IID as a result of the noncompliance or breach including reimbursement of staff time and administrative expenses associated with the remedy of any noncompliance or breach as well as financial penalties and costs associated with the replacement of lost water conservation yield as a result of the breach incident. Nothing contained herein shall preclude the IID from exercising any other available remedy in law or equity, including specific performance.

13. **Entire Agreement**

This Agreement constitutes the entire understanding of the Parties hereto.

14. **Amendment**

This Agreement may not be modified or amended except in writing executed by the Parties.

15. **Contacts**

A. All notices, requests, demands, payments, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been received either when delivered or on the fifth (5th) business day following the
mailing, by registered or certified mail, postage prepaid return receipt requested, whichever is earlier, addressed as set forth below:

1) If to IID:

Manager, Water Department
Imperial Irrigation District
333 East Barioni Boulevard
P.O. Box 937
Imperial, CA 92251

2) If to Fallowing Party (please print):

Name

Address

Phone

Fax

B. Any Party may change the addressee or address to which communications or copies are to be sent by giving notice of such change of addressee or address in conformity with the provision of this Paragraph 15 for the giving of notice.

16. Counterparts

This Agreement may be executed in counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument with the same force and effect as though all signatures appeared on a single document.

17. Recording of Memorandum of Agreement.

Fallowing Party agrees that IID may, and Fallowing Party will cooperate to permit, a memorandum identifying the existence and summary of this Agreement to be recorded in the real property records for the County of Imperial.
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

IMPERIAL IRRIGATION DISTRICT

__________________________________________
Manager, Water Department

FALLOWING PARTY as

☐ Lessee of Fallow Lands
☐ Owner of Fallow Lands

Signature ____________________________________
Print Name ____________________________________

Signature ____________________________________
Print Name ____________________________________
EXHIBIT A

Fallow Lands

Canal

Gate

Farm Services Agency (FSA)
Acreage = ## acres

DRAIN
EXHIBIT B

CONSENT OF FEE OWNER, LESSOR, SUBLESSOR AND LEASE TERM (AS APPLICABLE)

We consent to the Lessee (Fallowing Party as defined in the Agreement) fallowing the Fallow Lands as defined in Exhibit A for the period July 1, 2007 to June 30, 2008.

**Fee Owner**

Name

Address

Signature

**Lessor (As Applicable)**

Name

Address

Signature

**Sublessor (As Applicable)**

Name

Address

Signature

**Remaining Term of Lease**

**Remaining Term of Sublease**

*(As Applicable)*
EXHIBIT C

CROP(S) THAT WOULD HAVE BEEN GROWN ON THE FALLOW LANDS

CANAL

GATE

ACREAGE

List only the farmable acres (FSA Acreage)

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<td>SPRING 2008</td>
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<td>SUMMER 2008</td>
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Note: Crop Includes Leaching and Duck Ponding
EXHIBIT D

DUST CONTROL AND MITIGATION REPORTING REQUIREMENTS APPLICABLE TO CONSERVATION BY FALLOWING FOR 2007-2008

In order to satisfy mitigation and reporting requirements in accordance with the Transfer EIR (defined in Recital B), the Fallowing Party shall be responsible for and comply with the following requirements:

1. MITIGATION REQUIREMENTS

   A. In order to mitigate air quality impacts on Fallow Lands, only the Best Management Practices ("BMPs") recommended by the US Department of Agriculture Natural Resources Conservation Service and listed below will be considered for payment reimbursement. The Dust Control BMP(s) must be selected and approved by IID prior to implementation or July 1, 2007, whichever is earlier. Payment will be based on the Dust Control BMP Reimbursement Schedule issued annually by the IID.

   1) Plan ahead to start with plenty of vegetation residue, and maintain as much residue on fallowed fields as possible. Residue is more effective for wind erosion protection if left standing.

   2) Avoid any tillage if possible.

   3) Avoid any traffic on the field or tillage when fields are extremely dry to avoid pulverization.

   4) If residues are not adequate, either small grain can be seeded about the first of the year to take advantage of winter rains or soil stabilization chemicals may be applied to fallowed lands.

   B. In addition to the above BMPs, in order to satisfy Imperial County dust control and mitigation requirements, Fallowing Party will comply with any lawful conditions required by the Imperial County Air Pollution Control District.

2. REPORTING REQUIREMENTS

Complete and return a Fallowing Program Mitigation Reporting Form (to be provided by IID) to the Manager of the Water Department of IID on or before July 31, 2007, and update the form before November 30, 2007, and July 31, 2008, verifying the method(s) used to satisfy the mitigation requirements set forth in Section 1 above and the total costs incurred by Fallowing Party therefore, including written documentation evidencing such costs.
Proposals sought for 2007-08 On-Farm Fallowing Program

(IMPERIAL, Calif.) – The Imperial Irrigation District will soon be opening the solicitation process for the 2007-08 Fallowing Program.

Proposals will be accepted starting December 22. All proposals must be received by the IID water manager’s office no later than noon on Jan. 31, 2007.

Information about the fallowing program is being mailed to landowners and water users. Information about the program and application materials are available over the Internet from the IID Web site: www.iid.com. Please click on the water section and select “fallowing” from the side menu.

Fields selected to participate will be paid to lie fallow from July 1, 2007, through June 30, 2008.

IID will issue contracts in March. All proposals that meet the eligibility guidelines and selection criteria will be offered contracts to participate, unless there is an over-solicitation. Should there be more fields offered than necessary, a random selection process will be used to determine participants. 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 fallowing program, if needed.

The On-Farm Fallowing Program, which enters its fifth year, is necessary to generate the water needed for the Quantification Settlement Agreement, the mitigation requirements of the Salton Sea and to payback previous overuse or inadvertent overruns of IID’s annual Colorado River water entitlement. This will be done until on-farm and system efficiency conservation measures can be implemented. Fallowing is limited to the first 15 years of the water conservation and transfer agreement and will be replaced by on-farm and system efficiency conservation measures as they are implemented, beginning in 2008.

The district anticipates needing about 78,000 AF of water from the 2007-08 fallowing program solicitation. For the 2006-07 On-Farm Fallowing Program, about 18,000 acres were contracted for fallowing to generate approximately 96,400 AF of conserved water.

The district works to closely monitor the fallowing program, calculating the amount of water and acreage needed each year and to ensure that all mitigation and contract requirements are met.
AGREEMENT FOR FALLOWING LAND
IN THE IMPERIAL IRRIGATION DISTRICT

THIS AGREEMENT FOR FALLOWING LAND IN THE IMPERIAL IRRIGATION DISTRICT ("Agreement") is made and entered into as of the 1st day of July 2007, by the Imperial Irrigation District ("IID") and the person(s) or entity referred to as "Fallowing Party" listed on the signature page of this Agreement (collectively, "Parties"), each of which is at times referred to individually as Party.

RECATALS

A. IID, as a trustee under the California Irrigation District Law, holds water rights to and diverts water from the Colorado River for distribution and use within its service area.

B. IID has completed an environmental assessment of proposed water conservation and transfer activities pursuant to the California Environmental Quality Act ("CEQA"), as set forth in a Final EIR/EIS for the IID Water Conservation and Transfer Project certified by IID in June 2003, as supplemented by an Amended and Restated Addendum thereto certified by IID in October 2003 (collectively, "Transfer EIR").

C. IID has entered into a conserved water transfer agreement with the San Diego County Water Authority ("SDCWA") which involves the creation of conserved water by fallowing until 2017 for transfer to SDCWA and/or use for environmental mitigation of impacts of reduced inflow to the Salton Sea. In addition, IID has entered into an agreement with the United States and others to limit its diversions under Priority 3 and to repay certain "overuse" on an agreed-upon schedule. IID will create conserved water by fallowing for those purposes as well.

D. Fallowing Party owns or leases agricultural property within the IID service area described and/or depicted on Exhibit A attached hereto ("Fallow Lands").

E. If Fallowing Party is a lessee of the Fallow Lands, the identity of the lessor, any sublessor, and the fee owner, and the remaining term of the lease or sublease is identified on Exhibit B attached hereto.

F. Fallowing Party is willing to fallow the Fallow Lands for the limited time period and in accordance with the other terms and conditions set forth herein, in order to assist IID in meeting its obligations described above.

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE RECITALS AND THE COVENANTS AND OBLIGATIONS SET FORTH HEREIN, THE PARTIES AGREE AS FOLLOWS:
1. **Term**

The term of this Agreement ("Term") shall commence on July 1, 2007 ("Start Date") and expire on June 30, 2008.

2. **Payment**

As consideration for Fallowing Party's performance of its obligations hereunder, IID shall make payments to the Fallowing Party in the following manner:

   A. **Payment for Fallowing.**

      The total amount of $___________ ($75/acre-foot x # acres x ##.## acre-feet/acre) shall be divided into three (3) equal payments. The first payment shall be made on or before August 31, 2007. The second payment shall be made before December 31, 2007, provided that IID has verified that Fallowing Party is in compliance with this Agreement. The third and final payment shall be made no later than August 31, 2008, provided that IID has verified that Fallowing Party has fulfilled all of its obligations under this Agreement. If at any time the IID determines that Fallowing Party is in noncompliance with this Agreement or delinquent on any water accounts, payments may be suspended as provided in Section 12.

   B. **Payment for Dust Control and Mitigation.**

      Fallowing Party shall be reimbursed for the costs of IID-approved Best Management Practices (BMPs) for dust control and mitigation compliance in conformance with Exhibit D in two (2) equal payments. The first payment shall be made before December 31, 2007, provided that IID has verified that Fallowing Party is in compliance with this Agreement. The second and final payment shall be made no later than August 31, 2008, provided that IID has verified that Fallowing Party has fulfilled all of its obligations under this Agreement. If at any time the IID determines that Fallowing Party is in noncompliance with this Agreement or has not implemented the IID-approved Dust Control BMP reported as per Exhibit D, payments may be suspended as provided in Section 12. For purposes of dust control and mitigation cost reimbursement under this subsection, costs shall be based upon the Dust Control BMP Reimbursement Schedule issued annually by the IID and associated with the pre-selected and IID-approved Dust Control BMP implemented by the Fallowing Party, as required by Exhibit D, that would not have been incurred by Fallowing Party if Fallowing Party had not been a Party to this Agreement.

3. **Applicability of Williamson Act**

Fallowing Party represents that, either:

   A. No portion of the Fallow Lands is subject to a contract pursuant to the California Land Conservation Act of 1965 ("Williamson Act") with the County of Imperial or other agency; or
B. If all or any portion of the Fallow Lands is subject to a Williamson Act contract, said contract does not prohibit fallowing of the Fallow Lands as required pursuant to this Agreement.

This Agreement is not intended to impede or prevent compliance with any Williamson Act contract applicable to the Fallow Lands or to adversely affect any rights or benefits accruing thereunder.

4. Fallowing Party Representations and Warranties

The Fallowing Party represents and warrants to IID the following:

A. The Fallow lands are within the IID Service Area receiving water.

B. Fallowing Party is either the fee title owner of the Fallow Lands or the lessee of the Fallow Lands and as such, has the full right, power and authority to execute this Agreement and to carry out each and every obligation hereunder. To the best of Fallowing Party's knowledge, no legal impediment exists regarding the Fallow Lands to prevent Fallowing Party from entering into or performing under this Agreement; this Agreement will be a legal and binding obligation of Fallowing Party enforceable against Fallowing Party in accordance with its terms and will not violate any provisions of any agreement to which Fallowing Party is a party or to which Fallowing Party is subject; and Fallowing Party’s agreement to fallow the Fallow Lands does not and will not violate applicable laws or recorded documents affecting the Fallow Lands.

C. The Fallow Lands have not been contracted for fallowing for two of the three previous fallowing programs.

D. The Fallow Lands are whole fields equal to or greater than (10) acres with defined historic boundaries.

E. The Fallow Lands have been irrigated for crop production or leaching, or used as duck ponds the previous three (3) years, excluding the years contracted for fallowing.

F. The Fallow Lands would have been planted for agricultural production in the crop(s) identified on Exhibit C, leached or used as duck ponds during the Term of this Agreement had the lands not been fallowed pursuant to this Agreement.

G. All information submitted by the Fallowing Party to the IID in Fallowing Party's Proposal to Fallow is true and correct as of the time of submittal and as of July 1, 2007. This contract is only valid for the Fallowing Party submitting the Proposal to Fallow and is not transferable prior to execution.

H. The Fallow Lands are zoned agriculture and Fallowing Party will take no action to cause or support a change in such zoning during the contracted-for fallowing period.
I. Fallowing Party acknowledges that IID retains all water rights to the Colorado River in its name and control as a trustee under the California Irrigation District Law, and no water rights or other rights to water are created by this Agreement.

J. Fallowing Party has provided IID with an accurate and complete written plan and schedule to accommodate service pipes.

5. **Obligations of Fallowing Party**

   A. **Fallowing**

   Fallowing Party shall fallow the Fallow Lands during the Term defined in this Agreement which requires that there be no irrigation, application or use of water thereon during the Term.

   B. **Dust Control and Mitigation Requirements**

   Fallowing Party shall be responsible for and undertake the timely control of all dust on the Fallow Lands as described on Exhibit D, and shall provide to IID proof of performance and evidence of the costs and expenses incurred for dust control and mitigation requirements. Fallowing Party must complete and return the mitigation reporting forms according to the deadlines established in Exhibit D, and Dust Control BMPs must be selected and approved by IID prior to implementation or July 1, 2007, whichever is earlier.

   C. **Weed Control**

   Fallowing Party shall be responsible for and undertake the timely control of all weeds on the Fallow Lands as required by the Imperial County Ordinance, Title 9, Division 18; "ABATEMENT OF WEEDS AND OTHER VEGETATION."

   D. **Water Charges and Fees**

   Fallowing Party shall continue to be responsible for all water delivery and water availability charges on lands owned and leased within the IID service area subject to IID’s Regulation No. 11 as if this Agreement were not in effect, and all such charges shall be timely paid before they become delinquent or IID may withhold Fallowing Payments until such time that the Fallowing Party is current on such charges.

   E. **Taxes**

   All real and personal property taxes, assessments or other charges of every description levied on or assessed against the Fallow Lands or improvements on the Fallow Lands shall remain the sole responsibility of the Fallowing Party. All tax payments shall be made directly to the charging authority prior to delinquency.
F. Insurance

Fallowing Party shall acquire and maintain liability insurance coverage on the Fallow Lands in the amount of $1,000,000 and shall name IID as an additional insured on each such policy. Proof of such insurance coverage shall be provided to IID by a copy of an applicable document from the insurer at the time of execution of this Agreement and upon renewal of the policy during the falling period. Each proof of insurance shall also specifically identify the Fallow Lands by its canal and gate delivery point.

G. Right of Entry

Fallowing Party agrees that IID and its designees shall have the right to enter the Fallow Lands and, to the extent necessary, other land owned or leased by Fallowing Party for the purpose of verification, monitoring, and enforcement of compliance with this Agreement.

H. If Land is Already Subject to Leases or Contracts

Fallowing Party shall be responsible for compliance with the terms, covenants and conditions of any existing leases and/or contracts affecting the Fallow Lands, and shall defend, indemnify and hold IID harmless from any and all claims by third parties for damages allegedly related to this agreement or to the performance thereof.

6. Governing Law

This Agreement shall be interpreted, governed by and construed under the laws of the State of California.

7. No Third-Party Rights

The Parties do not intend to create rights in or to grant remedies to any third party as a beneficiary of this Agreement.

8. Assignment

This Agreement shall be binding upon and inure to the benefit of the Parties and their permitted successors and assigns. No Party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other Party hereto. Formal consent shall require that the parties fully execute a separate agreement as provided by the IID.

9. Change in Legal Status Affecting Fallow Lands

Notwithstanding that which is provided in Section 8, any activity affecting the legal status of the Fallow Lands during the term of this Agreement shall carry forward all obligations provided in the Agreement. Any party acquiring title to the Fallow Lands or taking assignment or sublease of the lease of the Fallow Lands shall be bound to the Term of this Agreement as if a signatory. Fallowing Party shall give notice of this obligation to any such party prior to effecting any change in the legal status of the Fallow Lands. In the event of any change affecting the legal
status of the Fallow Lands, Fallowing Party shall notify IID in writing within ten (10) days of such change.

10. **Legal Effect on Fallow Lands**

Except as otherwise expressly stated herein, nothing herein shall be construed as affecting the legal status of the Fallow Lands, including, but not limited to, the effect of liens, encumbrances, statutory or regulatory requirements, or entitlements. Fallowing Party agrees that IID is not responsible for, and no action or conduct of IID, its staff or other representatives, shall be construed as advice or identification of the legal effect or consequences, if any, of the Fallowing Party’s decision regarding fallowing.

11. **Non-precedent**

Nothing contained in this Agreement, nor the execution of this Agreement, shall be deemed to give the Fallowing Party any rights to obtain any similar agreement after the expiration of the Term. In addition, IID reserves the right to change any rules governing the fallowing of land to create conserved water in any future agreement and to determine the provisions of any future agreement relating to the fallowing of land to create conserved water.

12. **Noncompliance with Terms of Agreement**

If IID determines at any time that the Fallowing Party is in noncompliance with or has breached this Agreement, the Fallowing Party will be provided notice of such noncompliance or breach at the address or contact information provided in Section 15, and shall have twenty-four (24) hours from the time of such notice to cure the noncompliance or breach. If the noncompliance or breach is not timely cured, remaining payments may be withheld by IID. In addition, Fallowing Party will be responsible for any other losses suffered by IID as a result of the noncompliance or breach including reimbursement of staff time and administrative expenses associated with the remedy of any noncompliance or breach as well as financial penalties and costs associated with the replacement of lost water conservation yield as a result of the breach incident. Nothing contained herein shall preclude the IID from exercising any other available remedy in law or equity, including specific performance.

13. **Entire Agreement**

This Agreement constitutes the entire understanding of the Parties hereto.

14. **Amendment**

This Agreement may not be modified or amended except in writing executed by the Parties.

15. **Contacts**

A. All notices, requests, demands, payments, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been received either when delivered or on the fifth (5th) business day following the
mailing, by registered or certified mail, postage prepaid return receipt requested, whichever is earlier, addressed as set forth below:

1) If to IID:

Manager, Water Department
Imperial Irrigation District
333 East Barioni Boulevard
P.O. Box 937
Imperial, CA 92251

2) If to Fallowing Party (please print):

Name

Address

Phone

Fax

B. Any Party may change the addressee or address to which communications or copies are to be sent by giving notice of such change of addressee or address in conformity with the provision of this Paragraph 15 for the giving of notice.

16. Counterparts

This Agreement may be executed in counterparts, each of which, when executed and delivered, shall be an original and all of which together shall constitute one instrument with the same force and effect as though all signatures appeared on a single document.

17. Recording of Memorandum of Agreement.

Fallowing Party agrees that IID may, and Fallowing Party will cooperate to permit, a memorandum identifying the existence and summary of this Agreement to be recorded in the real property records for the County of Imperial.
IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first above written.

IMPERIAL IRRIGATION DISTRICT

Manager, Water Department

FALLOWING PARTY as
☐ Lessee of Fallow Lands
☐ Owner of Fallow Lands

Signature

Print Name

Signature

Print Name
EXHIBIT A

Fallow Lands

Canal

Gate

Farm Services Agency (FSA)
Acreage = ## acres

DRAIN
EXHIBIT B

CONSENT OF FEE OWNER, LESSOR, SUBLESSOR AND
LEASE TERM (AS APPLICABLE)

We consent to the Lessee (Fallowing Party as defined in the Agreement) fallowing the Fallow Lands as defined in Exhibit A for the period July 1, 2007 to June 30, 2008.

Fee Owner

Name

Address

Signature

Lessor (As Applicable)

Name

Address

Signature

Sublessor (As Applicable)

Name

Address

Signature

Remaining Term of Lease

Remaining Term of Sublease (As Applicable)
EXHIBIT C

CROP(S) THAT WOULD HAVE BEEN GROWN ON THE FALLOW LANDS

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<thead>
<tr>
<th>CANAL</th>
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<tr>
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<td>ACREAGE</td>
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<td>SPRING 2008</td>
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<td>SUMMER 2008</td>
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Note: Crop Includes Leaching and Duck Pond
EXHIBIT D

DUST CONTROL AND MITIGATION REPORTING
REQUIREMENTS APPLICABLE TO CONSERVATION BY
FALLOWING FOR 2007-2008

In order to satisfy mitigation and reporting requirements in accordance with the Transfer EIR (defined in Recital B), the Fallowing Party shall be responsible for and comply with the following requirements:

1. MITIGATION REQUIREMENTS

   A. In order to mitigate air quality impacts on Fallow Lands, only the Best Management Practices ("BMPs") recommended by the US Department of Agriculture Natural Resources Conservation Service and listed below will be considered for payment reimbursement. The Dust Control BMP(s) must be selected and approved by IID prior to implementation or July 1, 2007, whichever is earlier. Payment will be based on the Dust Control BMP Reimbursement Schedule issued annually by the IID.

       1) Plan ahead to start with plenty of vegetation residue, and maintain as much residue on fallowed fields as possible. Residue is more effective for wind erosion protection if left standing.

       2) Avoid any tillage if possible.

       3) Avoid any traffic on the field or tillage when fields are extremely dry to avoid pulverization.

       4) If residues are not adequate, either small grain can be seeded about the first of the year to take advantage of winter rains or soil stabilization chemicals may be applied to fallowed lands.

   B. In addition to the above BMPs, in order to satisfy Imperial County dust control and mitigation requirements, Fallowing Party will comply with any lawful conditions required by the Imperial County Air Pollution Control District.

2. REPORTING REQUIREMENTS

Complete and return a Fallowing Program Mitigation Reporting Form (to be provided by IID) to the Manager of the Water Department of IID on or before July 31, 2007, and update the form before November 30, 2007, and July 31, 2008, verifying the method(s) used to satisfy the mitigation requirements set forth in Section 1 above and the total costs incurred by Fallowing Party therefore, including written documentation evidencing such costs.
2007-2008 Fallowing Program (FP) Mitigation Reporting Form
(as per Exhibit D, Dust Control and Mitigation Reporting Requirements Applicable to Conservation by Fallowing for 2007-2008)

☐ July 31, 2007 (1st) Reporting Period
☐ November 30, 2007 (2nd) Reporting Period
☐ July 31, 2008 (3rd) Reporting Period

Canal/Gate: __________________________

Air Quality Mitigation as per AQ-3 of the IID Water Conservation and Transfer Project EIR/EIS
[please select mitigation measure(s) that apply and itemize all incurred costs]:

☐ (1) Avoid any traffic or tillage on the fallowed field. ($0-no cost associated with BMP)
☐ (2) Apply soil stabilization chemicals to fallowed field.
☐ (3) If (1) or (2) are not adequate to control dust, maintain as much residue on fallowed field as possible. Residue is more effective for wind erosion protection if left standing. If residues are not adequate, small grain can be seeded to take advantage of winter rains.

Total Cost: $________________ *

*Attach written documentation of costs and receipts as necessary-reasonable dust control expenses are reimbursable if implementation actions are approved by IID prior to implementation.

Print Name ________________________________________ Contact Phone Number __________________

Signature __________________________________________

Attach additional sheets as necessary.
## Imperial Irrigation District
### 2007-2008 Fallowing Program Participants
#### July 1, 2007 - June 30, 2008

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### Imperial Irrigation District
#### 2007-2008 Fallowing Program Total Acreage = 16,172
#### 2007-2008 Fallowing Program Provisional Water Yield at-Farm (AF) = 89,512
#### 2007-2008 Fallowing Program Provisional Water Yield at-River (AF) = 101,370
#### 2007-2008 Fallowing Program Contracts Expense = $6,246,532

* Delivery gate cannot be locked, alternative physical accommodation made to prevent water delivery.
** Jack gate chained and locked