

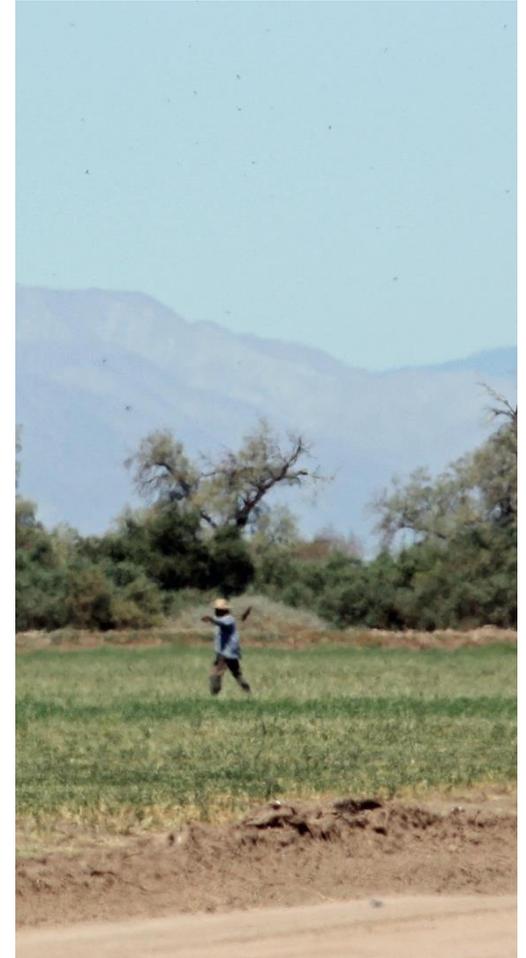
Imperial Irrigation District Following Program Status Report

December 2014

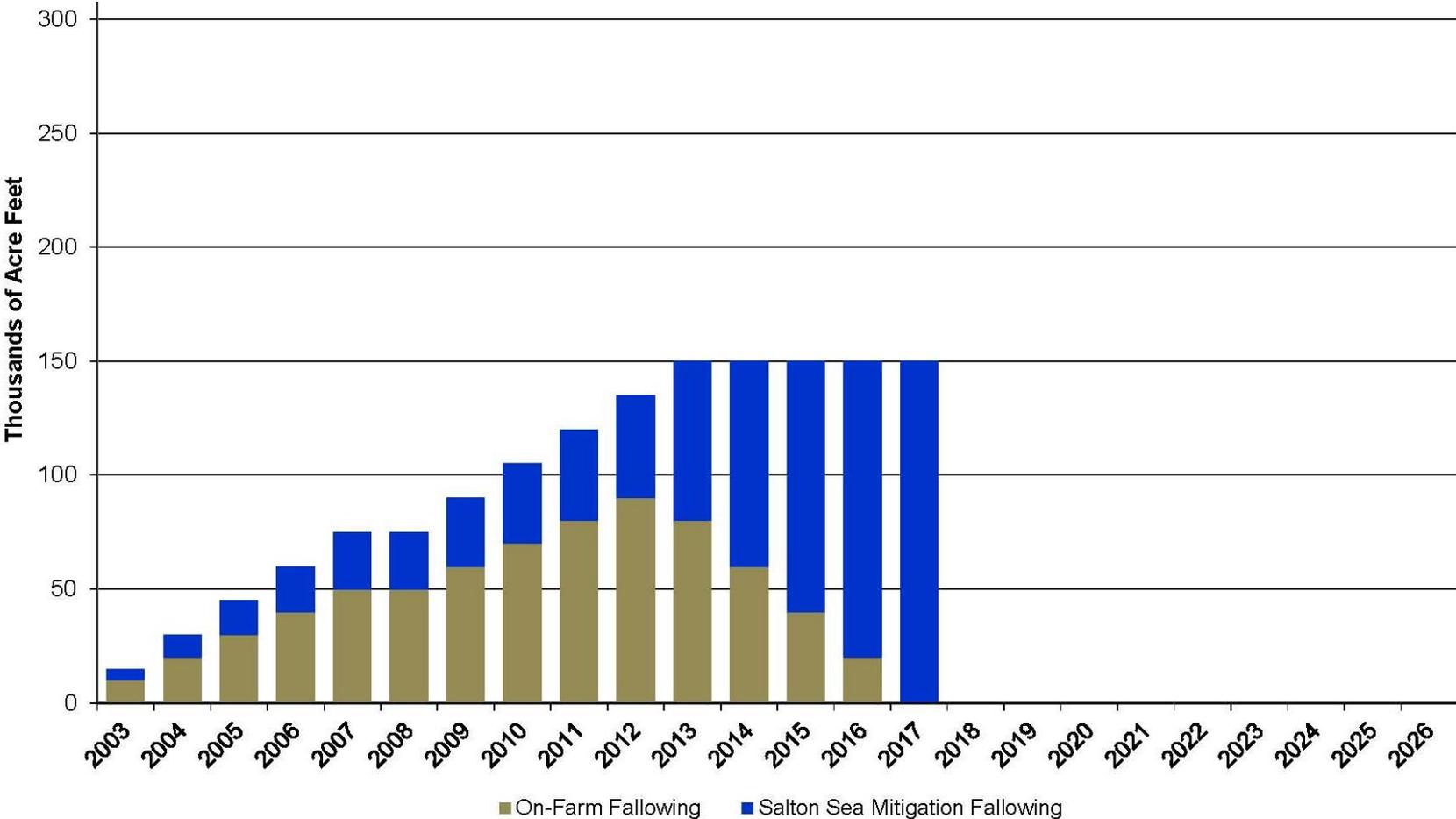


Following Program Purpose

- 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 pervious years' overuse or inadvertent overruns of Colorado River water



IID/SDCWA Water Conservation Following Schedule



Farm Unit Following Program

- Approved by Board of Directions March 25, 2014
- Farm Units are given a following target based on its potentially eligible acreage
- Farm Unit Manager can voluntarily request more or less than target
 - Guaranteed IID will accept at least the target volume, pending field verification
- Payment rate: (\$175/AF as of November 2014)
 - 20% Farm Unit Manager/Tenant
 - 80% Balance prorated to participating landowner (regardless of whether field is actually fallowed)
 - Owner/operator can receive 100% of payment rate

Farm Unit Following Eligibility Criteria

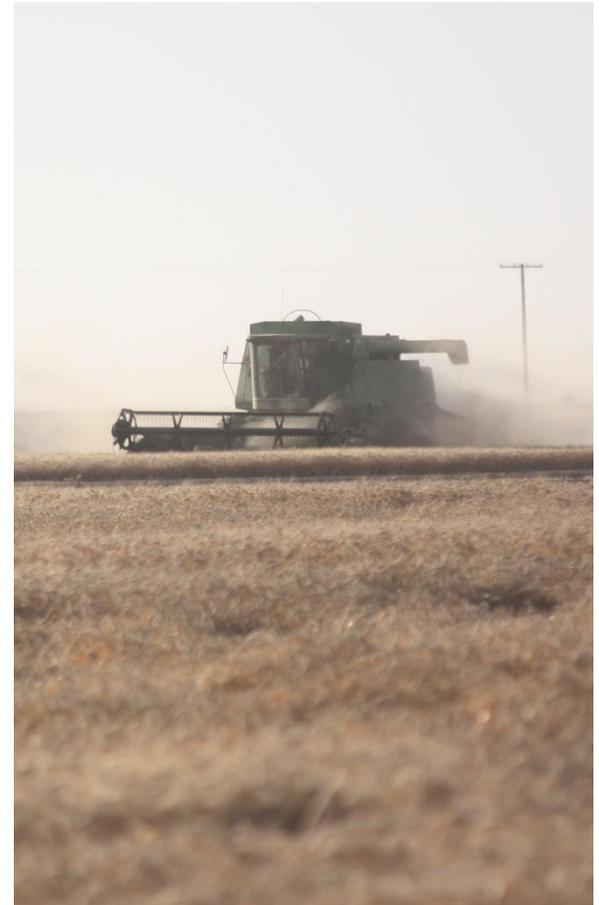
- Previous 3-year irrigation history for commercial crop production with EDP allocation payment cap
- Whole fields with defined boundaries
 - Minimum 20 acre partial field allowed to fulfill remaining balance of fallowed water target
- Multiple fields and/or shared head gates must have verifiable water records
- Charges for delivered water and water availability subject to IID's Regulation #11 must not be delinquent.
- Each field must have current and valid water card.

Farm Unit Following Eligibility Criteria

- 3 of 5 year participation limit for fallowed land (37 months allowed)
- Fields with more than 37 months fallowing in previous 5 years are eligible to receive farm unit payment, but not eligible to fallow
- 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

Fallowing Program Contract Provisions

- Tenants are responsible for obtaining all landowner approvals for program participation
- 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 (BMPs)
- The Fallowing Party shall be responsible for conveying the contract fallowed water volume prior to receiving payment



Fallowing Program Yield, Payment and Selection Criteria

- Water yield per acre based on the water use history Baseline (payment capped at EDP allocation) and a trend analysis using recent three-year water history
- IID accepts fallow offers up to a farm unit's target volume plus a proportionate share of remaining offer balances until the program requirement is met
- Offers may not be accepted from farm units with unsatisfactory previous verification, mitigation, and contract compliance history with other programs
- Selection of actual fields fallowed to reach the accepted volume for the farm unit is selected by farm unit manager, subject to IID approval based on:
 - Field location's potential impact on environmental, operation, and maintenance costs
 - Potential contract limitations and constraints due to previous water commitments
 - Verification that all eligibility criteria has been met in the program and agreement

Following Program Compliance & Verification

- TruePoint crop code revised to reflect FP participation, effectively eliminates ability to order water on FP fields
- Delivery gates locked (where possible) or physical block installed/verified for all FP fields
- Quarterly field inspections/photo verifications by IID staff
- Semi-annual field and date validation (5% of FP acreage) by USBR



Temporary Land Conversion Following Policy (TLCFP)

- § 1013: QSA legislation provides a specific definition of following for the duration of the QSA

"[L]and following conservation measures" means the generation of water to be made available for transfer or for environmental mitigation purposes by following land or removing land from agricultural production regardless of whether the following or removal from agricultural production is temporary or long term, and regardless of whether it occurs in the course of normal and customary agricultural production"



Temporary Land Conversion Following

- The TLCFP was approved by the IID Board of Directors on May 8, 2012
- TLCFP following contracts covenant that the property will be returned to agricultural production after the term of the program/project
- Participation preserves landowner's future right to water service and maintains a history of agricultural water use
- TLCFP Following Program receives credit for 5.1 AF per acre less water used for operational and dust control purposes, not to exceed the annual apportionment volume the land would have received as agricultural land

IID Following Programs

Program	AF*	Acres	\$ Million	Fields
2003-2004 FP	38,641	5,764	1.8	69
2004-2005 FP	67,273	12,127	3.4	118
2005-2006 FP	69,764	11,676	3.2	105
2006-2007 FP	96,395	17,984	5.3	169
2007-2008 FP	89,512	16,172	6.2	150
2008-2009 FP	66,406	12,779	5.4	120
2009-2010 FP**	99,360	17,854	7.9	191

*In-Valley volumes

** Includes 1 and 2 year programs

IID Following Programs

2011				2012				2013				2014				2015			
Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
2010-2011 FP		2011-2012 FP				2012-2013 FP				2013-2014 FP				2014-2015 FP					
				2012-2013 WFL FP				2013-2014 WFL FP											
				2012 Temporary Land Conversion FP				2013 Temporary Land Conversion FP				2014 Temporary Land Conversion FP							
								2013 CY WFL FP				2014 CY WFL FP							
								2013 CY FP				2014 CY FP							
				2012-2013 (9 Month) FP															

Program	In-Valley AF	Acres	\$ Million	Fields
2010-2011 FP**	90,344	16,651	6.9	175
2011-2012 FP	29,784	5,796	2.1	62
2012 TLCFP	5,288	1,386	--	11
2012-13 9 Month FP	8,977	2,024	1.0	24
2012-2013 WFL FP	17,786	3,201	--	31
2012-2013 FP	161,603	28,659	19.4	300
2013 TLCFP	30,230	6,859	--	70
2013 CY WFL FP	5,079	536	--	13
2013 CY FP	9,442	1,291	1.0	16
2013-2014 WFL FP	958	424	--	4
2013-2014 FP	194,020	34,008	22.8	379
2014 CY WFL FP^	29,260	6,606	2.1	67
2014 CY FP^	37,468	6,364	4.3	76
2014-2015 FP^	182,196	32,915	31.8	390
2014 TLCFP	ND	ND	--	ND

ND - Not Determined

^Estimated

** Includes 1 and 2 year programs

Fallowing Programs Combined Summary

Dec 1, 2003 – Jun 30, 2015 (provisional)

- \$124.6 million (paid to participants)
- 248,046 total fallowed acres
- 1,364,508 acre-feet water yield (in-valley)
- 1,479,311 acre-feet water yield (at-river)

More Fallowing Program Details

<http://www.iid.com/fallowingprograms>

