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1966 Olivenhain Road, Encinitas, California 92024 | Phone (760) 753-6466 | Fax (760) 753-5640 | www.omwd.com

August 11, 2009

Dear IAWP Customer:

You are currently purchasing water under the Interim Agricultural Water Program (IAWP). This program was established by the Metropolitan Water District (MWD) in 1994 when a surplus water supply enabled MWD to subsidize property owners whose agricultural, horticultural and livestock production were severely curtailed during the drought of the early 1990s.

INTERIM AGRICULTURAL WATER PROGRAM GUIDELINES

The IAWP guidelines limited water use purchased under this program for:

*“the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade or industry, or agricultural, horticultural, or floricultural products and produced (1) for human consumption or for the market or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purposes of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than **one acre utilized exclusively therefore.**”*

The IAWP program agreement enables qualified participants to purchase water at a discounted rate with the understanding that mandatory cutbacks will be enforced if water surpluses decline or are no longer available. The agreement also clearly specifies that if water shortages occur, the owner agrees to reductions in water allotments and cannot arbitrarily end participation in the program (opt out) in order to avoid reduced water allocations. Currently, all IAWP participants are required to reduce water consumption by up to 30%.

CURRENT PROGRAM STATUS

As you know, California is currently undergoing a severe water shortage. Due to historically low water levels in the Colorado River and California reservoirs, as well as a strictly curtailed water supply from northern California due to court-imposed pumping restrictions, MWD does not anticipate water surpluses in the foreseeable future. As a result, the Interim Agricultural Water Program is being discontinued and will be phased out over the next three years.

Beginning in 2010, discounts under this program will be reduced incrementally throughout the three-year period and will end entirely on December 31, 2012 when the program is formally terminated. Simultaneously, there will be a corresponding increase in water allotments until December 31, 2012 when remaining agricultural customers are converted to municipal residential/commercial accounts and 100% of water allotments available under those programs are restored.



AVAILABLE OPTIONS

Existing, qualified IAWP customers can choose to remain in the program until the next opt-out period or elect to participate in OMWD's Agricultural Water Program. Information on both options is outlined on the attached sheet. To be eligible for either of these options, your operation must meet the criteria outlined in the Interim Agricultural Water Program Guidelines above. **You must also complete either the IAWP or OMWD Recertification and Acknowledgement Form and submit it along with all requested documentation so that it is received in our office at 1966 Olivenhain Road, Encinitas, CA 92024 no later than 4:00 pm on Tuesday, September 15, 2009.**

To remain eligible for an agricultural water rate, you must recertify in either the IAWP or OMWD Agricultural Water Program. If you do not recertify in either the IAWP or OMWD Programs, you will be dropped from the IAWP program effective January 1, 2010. If your operation does not meet the criteria outlined above, or if you wish to opt out of the IAWP program at this time, please indicate this on the attached options sheet. Customers who do not qualify for the program, who are dropped from the program, or who wish to exit the program at this time will be restored as full service, full price residential or commercial customers beginning January 1, 2010.

Please read these options carefully and call Joseph Randall at 760-753-6466 if you do not understand the options or program guidelines. He will be happy to answer any questions you may have.

The District appreciates your business and understanding as we work through the difficult challenges that accompany the current water supply shortage. If we can be of any assistance in your conservation efforts, please do not hesitate to contact Teresa Chase at 760.632.4641.

Sincerely,

Kimberly A. Thorner
General Manager

Enclosures:

"Opt Out" Options
OMWD Agricultural Water Program Recertification and Acknowledgement Form
Interim Agricultural Water Program Recertification and Acknowledgement Form (blue form)



**INTERIM AGRICULTURAL WATER PROGRAM
“OPT OUT” OPTIONS
Effective January 1, 2010**

Note: Options 1 and 2 are only available to participants who qualify per IAWP and/or OMWD Program Guidelines and submit RECERTIFICATION AND ACKNOWLEDGEMENT FORM along with all required documentation by date outlined on RECERTIFICATION AND ACKNOWLEDGEMENT FORM

_____ OPTION 1: Agriculture customers can opt out of IAWP and elect to participate in the Olivenhain Municipal Water District (OMWD) Agricultural Program. Please complete OMWD RECERTIFICATION FORM

	Dedicated Agricultural Meter	Combined Domestic/Ag Meter
Rate Difference OMWD Agriculture Water Rate vs. IAWP Rate (per March 2009 OMWD Rate Schedule and Full IAPW Discount)	\$0.33/billing unit more <i>Note: price difference will diminish as IAWP rate increases incrementally during program phase out over the next 3 years</i>	\$0.33/billing unit more <i>Note: price difference will diminish as IAWP rate increases incrementally during program phase out over the next 3 years</i>
Potential Cutback – OMWD Special Agriculture Water Rate	Subject to cutbacks/allocations applicable to all residential and commercial customers.	Subject to cutbacks/allocations applicable to all residential and commercial customers.

_____ OPTION 2: Agriculture customers can remain in the IAWP program and will be given the option to opt out on designated dates in 2010 and 2011. Please complete blue IAWP RECERTIFICATION FORM

	Dedicated Agricultural Meter	Combined Domestic/Ag Meter
Rate Difference	Current rates will increase incrementally as program is phased out	Current rates will increase incrementally as program is phased out
Cutback – IAWP (March 2009)	Up to 30% reduction from 2006/07 usage; potential to increase up to 40% reduction if mandatory residential and commercial reductions are set at 15% or more. Reductions will decrease incrementally - corresponding to incremental rate increases as program is phased out	Up to 30% reduction from 2006/07 usage; potential to increase up to 40% reduction if mandatory residential and commercial reductions are set at 15% or more. Reductions will decrease incrementally - corresponding to incremental rate increases as program is phased out
Additional Conditions	Agricultural customers must wait until next MWD designated opt-out period to exit program	Agricultural customers must wait until next MWD designated opt-out period to exit program

_____ OPTION 3: OPT OUT: Current Agriculture customers with properties that are no longer eligible under the IAWP or OMWD Agricultural Program, or Current Agriculture customers no longer interested in participating in an agricultural program, will become a Municipal and Industrial (Residential or Commercial) Full Services Rate Customer.

I acknowledge that I have reviewed the options presented above and wish to participate in the program option selected.

Name _____ Title _____ Phone No. _____
(Please Print) (Owner/Authorized Agent)

Signature _____ Date _____



**OMWD AGRICULTURAL WATER PROGRAM
RECERTIFICATION AND ACKNOWLEDGEMENT FORM**

To be eligible for participation in the Olivenhain Municipal Water District (OMWD) Agricultural Water Program, participants are required to provide information, certification and acknowledgement as indicated on this form. **Failure to complete all sections and/or provide requested documentation will result in ineligibility.**

SECTION 1 – PROGRAM QUALIFICATIONS

In accordance with agreement outlined in the OMWD Agricultural Certification agreement, water use by participants shall be limited to:

“the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade or industry, or agricultural, horticultural, or floricultural products and produced (1) for human consumption or for the market or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purposes of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefore.”

Participants are also subject to a site audit to verify acreage and qualifying operations (See Section 3: Verification of Commercial Agricultural Sales).

SECTION 2 – PARTICIPANT QUALIFICATIONS

Billing Information*

Account Number (1): _____	<input type="checkbox"/>	Single Meter – Agricultural Use Only
Name on Account: _____	<input type="checkbox"/>	Single Meter – Agricultural/Residential (mixed)
Account Number (2): _____	<input type="checkbox"/>	Single Meter – Agricultural Use Only
Name on Account: _____	<input type="checkbox"/>	Single Meter – Agricultural/Residential (mixed)
Service Address: _____		

Site Information

Assessor's Parcel Number	_____	
Total Acreage	_____	
Acreage Committed Exclusively to Agricultural Use	_____	
Acreage Committed to Other Uses:	Ornamental Landscaping _____	Bldgs/Hardscape _____
Home(s) on Property?	<input type="checkbox"/> Yes	<input type="checkbox"/> No
	If yes, how many? _____	
Qualifying Agricultural Use of Property (Crop/Livestock Type), Include Quantity	_____	
Primary Type of Irrigation System	<input type="checkbox"/> Sprays <input type="checkbox"/> Rotors <input type="checkbox"/> Drip <input type="checkbox"/> Other _____	
Water Sources other than OMWD?:	<input type="checkbox"/> Well <input type="checkbox"/> Stream <input type="checkbox"/> Other _____ <input type="checkbox"/> None	

- If you have more than 2 meters in this program, please attach a separate page outlining account number, account name and type of meter (Single Agricultural Use or Single Agricultural/Residential mixed)

SECTION 3 – VERIFICATION OF COMMERCIAL AGRICULTURAL SALES

To qualify for recertification and continued participation in the OMWD Agricultural Water Program, participants must provide proof of commercial agricultural sale of products grown on the participating property. One or more of the following must be provided at the time this application is submitted. Please check the type of documentation you are attaching:

	Current bills of sale or invoices for the agricultural commodity produced on your property
	Current registration number for organic farming
	A contract between you and a commercial grove manager for your property
	Tax records that verify commercial agricultural sales
	Similar Documentation: <i>(please specify)</i>

Participants are subject to a site audit to verify acreage and qualifying operations. Please provide a contact number and best day/time that we may visit your operation.

Contact Phone	Preferred Days/Times for Site Inspection
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SECTION 4 – CERTIFICATION AND ACKNOWLEDGEMENT

I wish to enroll in the OMWD Agricultural Water Program and I agree to the following terms and conditions:

I hereby certify that I am the owner, or authorized agent of the owner, of the above referenced property and that the information provided herein is true and correct. I further certify that water purchased under OMWD’s Agricultural Water Program will be utilized in accordance with the rules of OMWD’s Agricultural Water Program, and only for agricultural purposes as defined in Program Qualifications outlined on page 1 of this Certification form.

I agree to notify the Olivenhain Municipal Water District within 30 days of any changes in property use that would cause the property to be ineligible for the OMWD Agricultural Water Program as defined in Program Qualifications outlined on page 1 of this Certification form.

I understand that in addition to the information I have provided herein, a field audit of my property may be conducted by the Olivenhain Municipal Water District to verify the agricultural use described.

In the event my property is determined to be ineligible for re-certification, I understand that I will no longer receive the OMWD Agricultural Water Program discount.

I further acknowledge that water to be purchased under the OMWD Agricultural Water Program, but done so on the basis of incorrect information supplied by the participant in Section 2 of this form, or water utilized for uses other than agricultural purposes as defined by OMWD in Section 1, may result in the assessment by the Olivenhain Municipal Water District of water rates, penalties and charges as required by OMWD, which I hereby agree to pay.

Name _____ Title _____ Phone No. _____
 (Please Print) (Owner/Authorized Agent)

Mailing Address _____

Signature _____ Date _____

Returned signed and completed Recertification Form, along with Verification of Commercial Sales documentation by Tuesday, September 15, 2009 to: Agriculture Program, OLIVENHAIN MUNICIPAL WATER DISTRICT, 1966 Olivenhain Road, Encinitas, CA 92024

INTERIM AGRICULTURAL WATER PROGRAM RECERTIFICATION AND ACKNOWLEDGEMENT FORM

To continue participation in the Interim Agricultural Water Program (IAWP) as established by the Metropolitan Water District of Southern California (MWD), and administered by the Olivenhain Municipal Water District, participants are required to provide information, certification and acknowledgement as indicated on this form. **Failure to complete all sections and/or provide requested documentation will result in ineligibility.**

SECTION 1 – PROGRAM QUALIFICATIONS

In accordance with MWD rules, the Interim Agricultural Program shall be limited to water used for:

“the growing or raising, in conformity with recognized practices of husbandry, for the purposes of commerce, trade or industry, or agricultural, horticultural, or floricultural products and produced (1) for human consumption or for the market or (2) for the feeding of fowl or livestock produced for human consumption or for the market, or (3) for the feeding of fowl or livestock for the purposes of obtaining their products for human consumption or for the market, such products to be grown or raised on a parcel of land having an area of not less than one acre utilized exclusively therefore.”

Participants are also subject to a site audit to verify acreage and qualifying operations (See Section 3: Verification of Commercial Agricultural Sales).

SECTION 2 – PARTICIPANT QUALIFICATIONS

Billing Information*

Account Number (1): _____	<input type="checkbox"/> Single Meter – Agricultural Use Only
Name on Account: _____	<input type="checkbox"/> Single Meter – Agricultural/Residential (mixed)
Account Number (2): _____	<input type="checkbox"/> Single Meter – Agricultural Use Only
Name on Account: _____	<input type="checkbox"/> Single Meter – Agricultural/Residential (mixed)
Service Address: _____	

Site Information

Assessor’s Parcel Number	_____		
Total Acreage	_____		
Acreage Committed Exclusively to Agricultural Use	_____		
Acreage Committed to Other Uses:	Ornamental Landscaping _____	Bldgs/Hardscape _____	
Home(s) on Property?	<input type="checkbox"/> Yes		<input type="checkbox"/> No
	If yes, how many? _____		
Qualifying Agricultural Use of Property (Crop/Livestock Type)	_____		
Type of Irrigation System	<input type="checkbox"/> Sprays	<input type="checkbox"/> Rotors	<input type="checkbox"/> Drip <input type="checkbox"/> Other _____
Water Sources other than OMWD?:	<input type="checkbox"/> Well	<input type="checkbox"/> Stream	<input type="checkbox"/> Other _____ <input type="checkbox"/> None

- If you have more than 2 meters in this program, please attach a separate page outlining account number, account name and type of meter (Single Agricultural Use or Single Agricultural/Residential mixed)

SECTION 3 – VERIFICATION OF COMMERCIAL AGRICULTURAL SALES

To qualify for recertification and continued participation in the Interim Agricultural Water Program (IAWP), participants must provide proof of commercial agricultural sale of products grown on the participating property. One or more of the following must be provided at the time this application is submitted. Please check the type of documentation you are attaching:

	Current bills of sale or invoices for the agricultural commodity produced on your property
	Current registration number for organic farming
	A contract between you and a commercial grove manager for your property
	Tax records that verify commercial agricultural sales
	Similar Documentation: <i>(please specify)</i>

Participants are subject to a site audit to verify acreage and qualifying operations. Please provide a contact number and best day/time that we may visit your operation.

Contact Phone	Preferred Days/Times for Site Inspection

SECTION 4 – CERTIFICATION AND ACKNOWLEDGEMENT

I hereby certify that I am the owner, or authorized agent of the owner, of the above referenced property and that the information provided herein is true and correct. I further certify that water purchased under the Interim Agricultural Water Program (IAWP) will be utilized in accordance with the rules of the IAWP, and for agricultural purposes as defined by the Metropolitan Water District of Southern California (MWD).

I understand that in addition to the information I have provided herein, a field audit of my property may be conducted by the Olivenhain Municipal Water District to verify the agricultural use described.

I hereby acknowledge as a participant in the IAWP that water purchased for agricultural purposes, as defined by MWD, at the reduced rate is subject to reduction in delivery, up to full interruption, based upon water supply conditions as determined by MWD and the San Diego County Water Authority (SCWA).

I hereby acknowledge as a participant in the IAWP that I understand by signing this Recertification and Acknowledgement Form that I am enrolled into the Interim Agricultural Water Program until the next MWD-authorized opt-out period or in the event MWD suspends the Program.

In the event my property is found to be ineligible for re-certification, I understand that I will no longer receive the IAWP discount, but I will still be subject to the mandatory reduction for IAWP customers until the next MWD-authorized opt-out period.

I further acknowledge that water purchased under the Program, but done so on the basis of incorrect information supplied by the participant in Section 2 of this form, or water utilized for uses other than agricultural purposes as defined by MWD in Section 1, may result in the assessment by the Olivenhain Municipal Water District of water rates, penalties and charges as required by MWD, which I hereby agree to pay.

Name _____ Title _____ Phone No. _____
 (Please Print) (Owner/Authorized Agent)

Mailing Address _____

Signature _____ Date _____

Returned signed and completed Recertification Form, along with Verification of Commercial Sales documentation by Tuesday, September 15, 2009 to: Agriculture Program, OLIVENHAIN WATER DISTRICT, 1966 Olivenhain Road, Encinitas, CA 92024