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To: All CCID Landowners and Consumers

From: Board of Directors

Subject: Year 2011 Water Rates and Tiered Water Levels

Date: February 1, 2011

On January 18, 2011, the Bureau of Reclamation issued a preliminary water supply outlook for 2011, projecting that CCID and the Exchange Contractors will receive a 100% supply for the 2011 water season. The 100% is based on the projection that Shasta will receive about 4.9 million acre-feet of inflow this water year, even under dry weather conditions for the remainder of the year, which is well above the 3.2 million acre-feet of inflow required for CCID to receive a 100% supply. We will contact our landowners and consumers immediately if anything changes when the Bureau of Reclamation makes its first official forecast in mid-February.

Please note that both in-District and Class 2 lands will have the same water rates and tiered water levels as last year.

IN-DISTRICT WATER SALES

1. January, February and March

- a. Water purchased in January, February and March will be sold at \$7.00 per a.f. There is no per acre quantity limit for this water.
- b. In order to meet the above schedule we may have to slow down water deliveries at times.

2. April through October

- a. A 4-tiered rate schedule will apply to water used during the seven-month summer block reflected in the Exchange Contract, starting April 1 and ending October 31:

Tier 1	0 – 3.0 a.f./ac.	@	\$ 7.00/a.f.
Tier 2	3.0 – 3.5 a.f./ac.	@	16.00/a.f.
Tier 3	3.5 – 4.0 a.f./ac.	@	31.00/a.f.
Tier 4	4.0 a.f./ac. and up	@	61.00/a.f.

- b. The per acre quantities above represent how much water will be available, if needed, but the amounts are not guaranteed. The actual amount of water available is subject to the Bureau's ability to deliver water to us, and limitations in the Exchange Contract.

3. November and December

We generally have a limited supply of water available in November and December. If there is water available during this period, it will be sold on a first-come, first-served basis, at \$7.00 per a.f.

DEVELOPED WATER – CLASS II LANDS

Developed water for Class II lands will also be subject to tiered pricing during our seven-month summer period, from April 1 through October 31. The first 3.0 a.f. per acre will be charged \$31.00 per a.f. on an "if and when available" basis. All usage in excess of 3.0 a.f. per acre during this seven-month period will be billed at \$61.00 per a.f.

Developed water taken in January, February, March, November and December will cost \$31.00 per a.f.

MUNICIPAL AND INDUSTRIAL WATER

Municipal and Industrial (M&I) water will be available to those municipalities contracting with CCID, at \$55.00 per a.f.

ADDITIONAL INFORMATION

There are many factors that may impose restrictions on the Bureau's ability to deliver our water this year. As you know, water supplies in California are increasingly uncertain due to federal laws and regulations and especially the Endangered Species Act, limiting pumping from the Delta. Specifically, the Federal and State export pumps in the Delta are still subject to limitations as the result of regulatory actions ostensibly intended to protect Delta smelt, resulting in severe effects on the water supply for the entire State. CCID staff will monitor this situation carefully and keep you informed during the year. Consumers need to continue the good job they have been doing, and take every step possible to maximize the beneficial use of our water supply.

If you have any questions, please call the CCID office at (209) 826-1421.