



*****URGENT*****

*****HISTORIC DROUGHT INFORMATION*****

February 11, 2015

Dear Grower,

California is being squeezed by what appears to be a fourth year of historic drought. As a result of the ongoing drought, Lake McClure is at its historic low and currently has no available surface water supply for the upcoming irrigation season. MID is taking a planning position of hoping for the best but preparing for the worst. This means we are preparing for a season with no allocation of surface water for 2015.

As of early February, Lake McClure was at a mere 63,500 acre-feet or 6% of capacity. This is well below the regulatory "Minimum Pool" of 115,000 acre-feet. MID cannot typically divert irrigation water below Minimum Pool. The current water level marks the lowest storage for Lake McClure since the construction of New Exchequer Dam in the late 1960s. Similarly, the amount of water flowing into Lake McClure remains at historic lows. Inflow for the past three years has averaged just 360,000 acre-feet per year, versus a historical inflow average of 975,000 acre-feet per year. No significant storms are on the horizon to alleviate these dire conditions.

In addition to the drought crisis, the State Water Resources Control Board (SWRCB) is considering issuing curtailments to water rights held by MID and other water agencies across the state. Last year, "post-1914" water right curtailments were issued by the SWRCB prohibiting storage of water flowing into Lake McClure. The District expects similar curtailments again this year. More concerning this year is that the SWRCB has notified reservoir operators, including MID, it is considering issuing curtailments of senior "pre-1914" water rights. This would result in MID being prohibited from diverting any runoff from the Merced River for irrigation in 2015.

With this background, MID is currently considering the worst case water supply scenario and related implementation plans for the 2015 irrigation season. Please note: This is for your informational purposes only. Although no formal or final decisions have been made by the MID Board of Directors, the District needs to communicate the dire water supply situation as it exists today.

Currently, MID is planning on how to manage the following water supply scenario:

- No Available Surface Water
- Supplemental Conjunctive Groundwater Pumping (Supplemental Supplies) in the portions of the District where MID has wells. To meet the District's debt and covenant requirements, this water supply will likely be priced at approximately \$200/AF or higher. As always these Supplemental Supplies will be available on a voluntary subscription basis. Stay tuned for more details.
- Private Groundwater Wheeling –MID will do its best to facilitate wheeling of private groundwater from farm to farm and likely at no charge. Again, stay tuned for more details.

In the event the district does have Limited Available Surface Water Supplies based on direct diversions under MID's Pre-1914 water rights, it will be a challenge to manage and distribute direct flow diversions equitably. Note that it takes about 12,000 acre-feet just to fill the MID water distribution system, so unless the direct runoff is significantly greater than this volume, it will be difficult to actually deliver it. Plans are being developed to use any water received as efficiently and equitably as possible. Details will be announced as soon as they are available.

MID encourages you to begin to work with your neighbors on groundwater sharing strategies to get through this historic drought. We are hopeful for a change to this surface water supply picture but want to ensure you have an accurate assessment of current hydrology and surface water supply availability in 2015.

Please visit MID Drought Watch on the MID website and attend the two scheduled Grower Drought Meetings to receive the best, most current information regarding the drought and the 2015 irrigation season. The Grower Drought Meetings are currently scheduled for 1 pm on both February 25th and March 25th at the Merced County Fairgrounds.

Thank You,



Bryan Kelly

Deputy General Manager, Water Resources