



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 03-01

DATE:

JAN 16 2003

SUBJECT: 2003 State Water Project
Allocation Increase

FROM:

James W. Ham
DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is increasing the 2003 allocation of Table A water for long-term State Water Project contractors from 825,000 acre-feet to 1.86 million acre-feet. Based on the recent water supply conditions and an updated snow survey, SWP supplies are projected to meet 45 percent of most SWP contractors' 2003 Table A amounts which total 4.13 MAF. A table reflecting the new 2003 SWP allocation of Table A water is attached.

The Department's new approval considered several factors, including existing storage in SWP conservation reservoirs, SWP operational constraints, and 2003 contractor demands. SWP water supply projections have improved from the initial December 3, 2002 allocation, due to above average precipitation that accumulated in northern California during December 2002. The Department will continue to evaluate the year's hydrologic and water conditions and may revise allocations when appropriate.

If you have any questions, please contact Dan Flory, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313, or you may call Craig Trombly, of his staff, at (916) 653-6250.

Attachment

2003 STATE WATER PROJECT ALLOCATION INCREASE
(ACRE-FEET)

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	3,500	3,500	1,575	45%
Plumas County FC&WCD	1,690	1,690	752	45%
City of Yuba City	9,600	9,600	4,320	45%
Subtotal	14,790	14,790	6,647	
<u>NORTH BAY</u>				
Napa County FC&WCD	21,475	21,475	9,664	45%
Solano County WA	46,756	46,756	21,040	45%
Subtotal	68,231	68,231	30,704	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	78,000	78,000	35,100	45%
Alameda County WD	42,000	42,000	18,900	45%
Santa Clara Valley WD	100,000	100,000	45,000	45%
Subtotal	220,000	220,000	99,000	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	2,565	45%
County of Kings	4,000	4,000	1,800	45%
Castaic Lake WA	12,700	12,700	5,715	45%
Dudley Ridge WD	57,343	57,343	25,804	45%
Empire West Side ID	3,000	3,000	1,335	45%
Kern County WA	1,000,949	1,000,949	450,427	45%
Tulare Lake Basin WSD	111,527	111,527	50,187	45%
Subtotal	1,195,219	1,195,219	537,834	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	11,250	45%
Santa Barbara County FC&WCD	45,486	45,486	20,469	45%
Subtotal	70,486	70,486	31,719	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	141,400	141,400	63,630	45%
Castaic Lake WA	82,500	82,500	37,125	45%
Coachella Valley WD	23,100	23,100	10,395	45%
Crestline-Lake Arrowhead WA	5,800	5,800	2,610	45%
Desert WA	38,100	38,100	17,145	45%
Littlerock Creek ID	2,300	2,300	1,035	45%
Mojave WA	75,800	75,800	34,110	45%
Metropolitan WDSC	2,011,500	2,011,500	905,175	45%
Palmdale WD	21,300	21,300	9,585	45%
San Bernardino Valley MWD	102,600	102,600	46,170	45%
San Gabriel Valley MWD	28,800	28,800	12,960	45%
San Geronio Pass WA	5,000	5,000	2,250	45%
Ventura County FCD	20,000	20,000	9,000	45%
Subtotal	2,558,200	2,558,200	1,151,190	
TOTAL	4,126,926	4,126,926	1,857,094	



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 03-02

DATE: FEB - 3 2003

SUBJECT: 2003 Turn-back
Water Pool ProgramFROM: 
DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is offering a 2003 Turn-Back Water Pool Program pursuant to Article 56 of its long-term Water Supply Contracts. This program is available to interested State Water Project contractors and is subject to the terms and conditions contained in this notice, and to those included in Attachment A, "2003 Turn-Back Water Pool Program Commitment" to this Notice.

The Department will administer two turn-back water pools: Pool A and Pool B. A State Water Project contractor may choose to sell or buy turn-back pool water in one or both of these pools. This program is separate from any other water sale or purchase program that the Department may administer during 2003.

To participate in this program as either a seller or a buyer, a participant must sign and date the commitment (Attachment A) attached to this Notice and return it by the dates listed in Attachment A to Dan Flory, Chief, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. Last-minute submittals for both pools must be faxed to (916) 653-9628, in addition to submitting them by mail so they are received by the due date. A Schedule (Attachment B) for this program is included for your reference.

If you have any questions or would like further information about this program, please contact Dan Flory at (916) 653-4313, or Craig Trombly, of his staff, at (916) 653-6250.

Attachments

2003 Turn-Back Water Pool Program Commitment

Criteria

1. The 2003 turn-back water pools are subject to Article 56 of the long-term Water Supply Contracts.
2. A State Water Project contractor may sell allocated 2003 Table A water that it will not use, provided that: (1) the contractor has not elected to store project water outside of its service area in 2003, and (2) the contractor has not elected to carry over under Article 12(e) or Article 56 of its long-term water supply contract Table A water from 2002. However, the contractor may participate in the 2003 turn-back pool program even if it has also participated in the 2002 summer carryover allocation program, as described in Contract Notice 02-10.
3. Sales and purchases of turn-back pool water shall not affect the 2003 allocation of Table A water to any SWP contractors.
4. The Department may limit or delay delivery of turn-back pool water due to either (a) limits on the operational capacity of SWP facilities, or (b) changed operational conditions.
5. Delivery priority of turn-back pool water will be the same as for Table A water (Priority 1), as described in Article 12(f) of the long-term Water Supply Contracts so long as the total amount of project water does not exceed the contractor's 2003 Table A amount. Delivery priority of turn-back pool water in excess of the contractor's Table A amount will be Priority 6.
6. A contractor selling or purchasing turn-back pool water shall be required to enter into a written agreement with the Department.
7. A contractor purchasing turn-back pool water shall submit its revised delivery request to the Department as soon as possible after being allocated the turn-back pool water.
8. Turn-back pool water may be stored outside of the purchasing contractor's service area for later use inside of the contractor's service area consistent with Article 56. The location of this storage may be inside or outside of the State Water Project service area, but it must be consistent with water rights permits for the State Water Project.
9. The 2003 turn-back water pool program shall not be a precedent for future programs.

Scheduling and Charges

1. A State Water Project contractor offering to sell turn-back pool water in Pool A must submit a completed and signed copy of the "Commitment to

Sell/Purchase 2003 Turn-back Pool Water" (see last page of this document). A mailed or faxed copy must be received by the Department on or before 12:00 p.m., February 14, 2003. The Department will notify all State Water Project contractors of the availability of water through Pool A on or before February 20, 2003.

2. A SWP contractor willing to buy turn-back pool water through Pool A must submit a completed and signed copy of the "Commitment to Sell/Purchase 2003 Turn-back Pool Water" (see last page of this document). A mailed or faxed copy must be received by the Department on or before 12:00 p.m., on March 3, 2003. The price for such water will be \$11.90 (50 percent of the 2003 Delta Water Rate) for each acre-foot of water purchased. In addition to the charge per acre-foot, the purchasing contractor shall pay the Department the 2003 Transportation Variable Operations, Maintenance, Power, and Replacement Component charges and the Off-Aqueduct Power Facilities Charges for turn-back pool water delivered, plus any incremental costs identified by the Department as described in Article 56(d)(7).
3. All sales and purchases through Pool A are irrevocable even if the Department reduces Table A allocations on or after February 14, 2003.
4. The Department will notify all participating contractors of Pool A sale allocations on or before 12:00 p.m., March 7, 2003. Pool A buyers must return the signed contract that will be provided by the Department, together with payment for the full Pool A allocation, by March 21, 2003.
5. Pool A sellers must return a signed contract, to be provided by the Department, for full Pool A commitments by March 14, 2003. For any water that remains unsold in Pool A, the offering contractor may cancel its offer to sell its share of unsold water in writing. A cancellation letter or faxed advance copy must be received by the Department no later than March 14, 2003.
6. A SWP contractor offering to sell turn-back pool water in Pool B must submit a completed and signed copy of the "Commitment to Sell/Purchase 2003 Turn-back Pool Water" (see last page of this document). A mailed or faxed advance copy must be received by the Department on or before 12:00 p.m., March 14, 2003. Pool B water will consist of turn-back water offered by a seller after February 14, but on or before March 14, and any unsold water from Pool A which was not canceled by March 14. The Department will notify all participating contractors of the availability of water through Pool B on or before March 20, 2003.
7. If the Department reduces or increases Table A allocations between March 14 and April 1, the amount of water available through Pool B will be reduced or increased by the amount of the changes to the sellers' approved allocations, unless notified otherwise, in writing, by the selling contractor.

8. A SWP contractor willing to buy turn-back pool water through Pool B must submit a completed and signed copy of the "Commitment to Sell/Purchase 2003 Turn-back Pool Water" (see last page of this document). A mailed or faxed advance copy must be received by the Department on or before 12:00 p.m., April 1, 2003. The price for such water will be \$5.95 (25 percent of the 2003 Delta Water Rate) for each acre-foot of water purchased. In addition to the charge per acre-foot, the purchasing contractor shall pay the Department the 2003 Transportation Variable Operations, Maintenance, Power, and Replacement Component charges and the Off-Aqueduct Power Facilities Charges for turn-back pool water delivered, plus any incremental costs identified by the Department as described in Article 56(d)(7).
9. The Department will notify all participating contractors of Pool B sale allocations on or before 12:00 p.m., April 7, 2003. Pool B buyers must return the signed contract that will be provided by the Department, together with payment for the full Pool B allocation by April 21, 2003.
10. Pool B sellers must return a signed contract, to be provided by the Department, for full Pool B commitments by April 14, 2003. For any water that remains unsold in Pool B, the offering contractor may cancel its offer to sell its share of unsold water in writing. A cancellation letter or faxed advance copy must be received by the Department no later than 12:00 p.m., April 14, 2003.
11. Pool B buyers must return a signed contract, to be provided by the Department, together with full payment for their allocations of Pool B water, by April 21, 2003.
12. If the Department reduces Table A allocations between April 1 and April 20, 2003, and there is no unsold Pool B water remaining on April 20, 2003, the Pool B sales for each seller will be reduced by the same amount the seller's approved allocations are reduced, unless otherwise notified, in writing, by the selling contractor; the Department will then reallocate the sales and purchases of Pool B water and notify all participating contractors by April 23, 2003.
13. The Department shall decide on April 20, 2003, whether to purchase any portion of unsold Pool B water remaining on that date.
14. No reallocation of sales or purchases will be done after April 20, 2003.

In order to sell or purchase turn-back pool water under Article 56 of the contractor's long-term Water Supply Contracts, please fill in the information required in the blank spaces below, sign the following commitment form, and return it to: Dan Flory, Chief, State Water Project Analysis Office, Post Office Box 942836, Sacramento, California 94236-0001. A contractor's signature indicates acceptance of all of the terms and conditions of this program.

COMMITMENT TO SELL/PURCHASE 2003 TURN-BACK POOL WATER

By signing below, _____ agrees to sell/purchase 2003 Turn-Back Pool water in accordance with all of the terms and conditions set forth in this 2003 Turn-Back Water Pool Commitment, Attachment A to State Water Project Contractors Notice No. 03-02.

POOL A SELLER

ACRE-FEET OF WATER COMMITTED TO SELL _____,

POOL B SELLER

ACRE-FEET OF WATER COMMITTED TO SELL _____,

POOL A BUYER

ACRE-FEET OF WATER COMMITTED TO PURCHASE _____,
OR

FULL ALLOCATION OF WATER OFFERED _____.

POOL B BUYER

ACRE-FEET OF WATER COMMITTED TO PURCHASE _____,
OR

FULL ALLOCATION OF WATER OFFERED _____.

ACCEPTED:

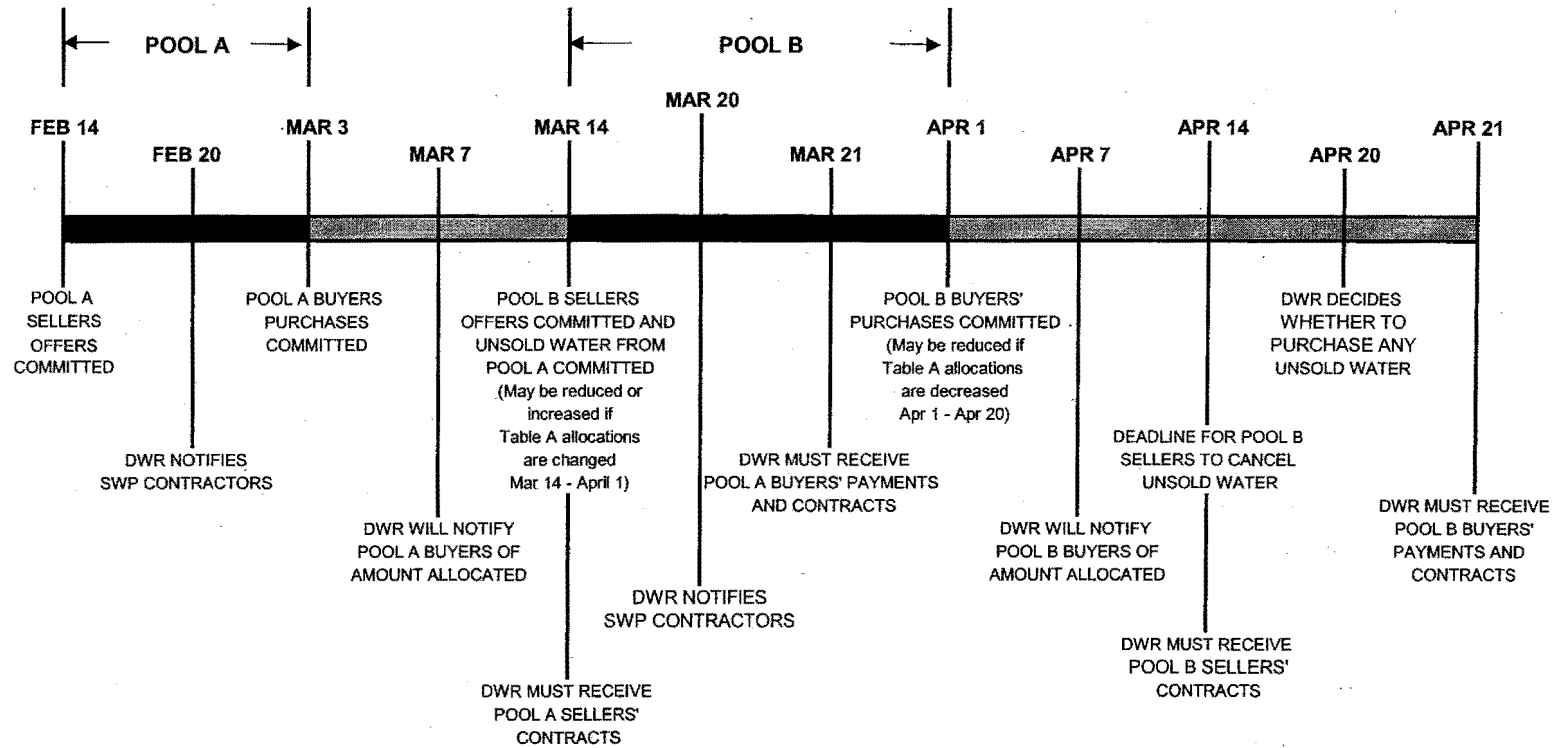
AGENCY

AUTHORIZED REPRESENTATIVE, SIGNATURE

DATE

2003 TURN-BACK POOL SCHEDULE

Attachment B





NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 03-03

DATE: MAR 14 2003

SUBJECT: Article 21 Water Program
for 2003

FROM:


DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources will administer a program in 2003, in accordance with Article 21 of the long-term Water Supply Contracts. The 2003 Article 21 Water Program is available to those State Water Project contractors who have signed the Monterey Amendment, and is subject to the attached criteria. Due to the current water conditions and storage in the San Luis Reservoir, Article 21 water may become available in 2003.

To participate in the 2003 Article 21 Water Program and be on the notification list, a contractor must sign and date the attachment to this Notice and return the attachment to Craig Trombly, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001.

If you have any questions about this Program, please contact Craig Trombly at (916) 653-6250 or Dave Paulson at (916) 653-9593.

Attachment

2003 ARTICLE 21 WATER PROGRAM

Criteria

1. Contractors can take delivery of Article 21 water, in addition to presently approved 2003 Table A water. Deliveries under this Program may result in a contractor receiving water in 2003, above its annual Table A.
2. Article 21 water will be delivered for use within the service area of a requesting contractor, for the same reasonable and beneficial uses as Table A water.
3. Delivery of Article 21 water shall not impact allocation or delivery of approved Table A water to contractors in 2003.
4. Water under this Program shall be State Water Project water that is available as determined by the Department and not needed for fulfilling contractors approved Table A deliveries, as set forth in their approved water delivery schedules furnished pursuant to Article 12, or for meeting Project operational requirements, including reservoir storage goals for the current or following years.
5. Delivery may be limited by operational capacity in Project facilities or as a result of changed operational conditions.
6. The delivery of Article 21 water is not intended in any way to adversely impact any SWP operations. If the Department determines there has been an adverse impact during the period when Article 21 water is being delivered to a contractor, Article 21 water may be reclassified as approved 2003 Table A water to keep the Project whole.
7. Article 21 water shall not be stored by the Department in Project reservoirs for later delivery to a requesting contractor.
8. This Program is not intended to allow a contractor to shift or defer delivery of allocated scheduled 2003 Table A water and substitute delivery of Article 21 water for scheduled 2003 Table A water, in a way that would adversely impact delivery of Table A water to other contractors in 2003 or in any subsequent year, or adversely affect Project storage of water.

SCHEDULING AND CHARGES

9. The Department will notify the contractors by email when Article 21 water is available.
10. Participating contractors shall request 2003 Article 21 water by submitting a weekly schedule to the State Water Project Analysis Office by FAX at (916) 653-9628, Attention: Dave Paulson. Schedules shall be submitted by 10 a.m. Wednesday for

the following Monday through Sunday. The weekly schedule shall include a statement identifying the intended use of the Article 21 water.

11. If necessary, the supply of Article 21 water will be allocated among requesting contractors in proportion to the 2003 Table A amounts of those contractors.
12. The Department may determine the availability of Article 21 water on a daily basis and may discontinue delivery upon short notice.
13. A contractor taking delivery of Article 21 water may stop or suspend participation in the Program by notifying Dave Paulson at (916) 653-9593 or by FAX at (916) 653-9628.
14. Conveyance charges for Article 21 water delivered under this Program shall be the same as for Table A water and shall include Transportation variable operation, maintenance, power and replacement component charges, Off-Aqueduct Power Facility charges, and any incremental OMP&R costs, as determined by the Department.
15. Contractors taking delivery of 2003 Article 21 water from reaches of the California Aqueduct not included in that contractor's Table B will be charged a use of Facilities Charge for the use of those reaches.
16. All contractors participating in the Program are responsible for coordinating delivery points and rates through their normal contacts at the various Department field divisions.
17. Participating contractors shall identify a contact person for the Department to notify concerning all matters under this Program.
18. The 2003 Article 21 Water Program shall not be a precedent for future programs.

In order to obtain a supply of Article 21 water in 2003, please sign below in the space provided and return to the State Water Project Analysis Office. A contractor's signature indicates acceptance of the criteria, procedures, and charges established for this Program.

ACCEPTED:

Authorized Representative

Signature

Title

Agency

Date

Contact Person

Email

Telephone



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 03-04

DATE: MAR 28 2003

SUBJECT: 2003 State Water Project
Allocation Increase

FROM: 
DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is increasing the allocation of 2003 State Water Project water for long-term contractors from 1.86 million acre-feet to 2.06 million acre-feet. Based on the recent water supply conditions and an updated snow survey, SWP supplies are projected to meet 50 percent of most SWP contractors' 2003 Table A amounts, which total 4.13 MAF. A table reflecting the new 2003 SWP allocated water is attached.

The Department's new approval considered several factors, including existing storage in SWP conservation reservoirs, SWP operational constraints, and 2003 contractor demands. The Department will continue to evaluate the year's hydrologic and water conditions and may revise allocations when appropriate.

If you have any questions, please contact Dan Flory, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313, or you may call Craig Trombly, of his staff at (916) 653-6250.

Attachment

**2003 STATE WATER PROJECT ALLOCATION INCREASE
(ACRE-FEET)**

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	3,500	3,500	1,750	50%
Plumas County FC&WCD	1,690	1,690	836	49%
City of Yuba City	9,600	9,600	4,800	50%
Subtotal	14,790	14,790	7,386	
<u>NORTH BAY</u>				
Napa County FC&WCD	21,475	21,475	10,738	50%
Solano County WA	46,756	46,756	23,378	50%
Subtotal	68,231	68,231	34,116	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	78,000	78,000	39,000	50%
Alameda County WD	42,000	42,000	21,000	50%
Santa Clara Valley WD	100,000	100,000	50,000	50%
Subtotal	220,000	220,000	110,000	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	2,850	50%
County of Kings	4,000	4,000	2,000	50%
Castaic Lake WA	12,700	12,700	6,350	50%
Dudley Ridge WD	57,343	57,343	28,672	50%
Empire West Side ID	3,000	3,000	1,484	49%
Kern County WA	1,000,949	1,000,949	500,475	50%
Tulare Lake Basin WSD	111,527	111,527	55,764	50%
Subtotal	1,195,219	1,195,219	597,593	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	12,500	50%
Santa Barbara County FC&WCD	45,486	45,486	22,743	50%
Subtotal	70,486	70,486	35,243	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	141,400	141,400	70,700	50%
Castaic Lake WA	82,500	82,500	41,250	50%
Coachella Valley WD	23,100	23,100	11,550	50%
Crestline-Lake Arrowhead WA	5,800	5,800	2,900	50%
Desert WA	38,100	38,100	19,050	50%
Littlerock Creek ID	2,300	2,300	1,150	50%
Mojave WA	75,800	75,800	37,900	50%
Metropolitan WDSC	2,011,500	2,011,500	1,005,750	50%
Palmdale WD	21,300	21,300	10,650	50%
San Bernardino Valley MWD	102,600	102,600	51,300	50%
San Gabriel Valley MWD	28,800	28,800	14,400	50%
San Geronio Pass WA	5,000	5,000	2,500	50%
Ventura County FCD	20,000	20,000	10,000	50%
Subtotal	2,558,200	2,558,200	1,279,100	
TOTAL	4,126,926	4,126,926	2,063,438	





NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 03-05

DATE: APR 24 2003

SUBJECT: 2003 State Water Project
Allocation IncreaseFROM: 
DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is increasing the allocation of 2003 State Water Project water for long-term contractors from 2.06 million acre-feet to 2.89 million acre-feet. Based on recent precipitation and the April 1, 2003 snow survey, SWP supplies are projected to meet 70 percent of most SWP contractors' 2003 Table A amounts, which total 4.13 million acre-feet. A table reflecting the increased 2003 SWP allocated water is attached.

The Department's new approval considered several factors, including existing storage in SWP conservation reservoirs, SWP operational constraints, and 2003 contractor demands. The Department will continue to evaluate the year's hydrologic and water conditions and may revise allocations when appropriate.

If you have any questions, please contact Dan Flory, Chief of the Department's State Water Project Analysis Office, at (916) 653-4313, or you may call Craig Trombly, of his staff at (916) 653-6250.

Attachment

2003 STATE WATER PROJECT ALLOCATION INCREASE
(ACRE-FEET)

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
FEATHER RIVER				
County of Butte	3,500	3,500	2,450	70%
Plumas County FC&WCD	1,690	1,690	1,183	70%
City of Yuba City	9,600	9,600	6,720	70%
Subtotal	14,790	14,790	10,353	
NORTH BAY				
Napa County FC&WCD	21,475	21,475	15,033	70%
Solano County WA	46,756	46,756	32,729	70%
Subtotal	68,231	68,231	47,762	
SOUTH BAY				
Alameda County FC&WCD, Zone 7	78,000	78,000	54,800	70%
Alameda County WD	42,000	42,000	29,400	70%
Santa Clara Valley WD	100,000	100,000	70,000	70%
Subtotal	220,000	220,000	154,000	
SAN JOAQUIN VALLEY				
Oak Flat WD	5,700	5,700	3,990	70%
County of Kings	4,000	4,000	2,800	70%
Castaic Lake WA	12,700	12,700	8,890	70%
Dudley Ridge WD	57,343	57,343	40,140	70%
Empire West Side ID	3,000	3,000	2,100	70%
Kern County WA	1,000,949	1,000,949	700,664	70%
Tulare Lake Basin WSD	111,527	111,527	78,069	70%
Subtotal	1,195,219	1,195,219	836,653	
CENTRAL COASTAL				
San Luis Obispo County FC&WCD	25,000	25,000	17,500	70%
Santa Barbara County FC&WCD	45,486	45,486	31,840	70%
Subtotal	70,486	70,486	49,340	
SOUTHERN CALIFORNIA				
Antelope Valley-East Kern WA	141,400	141,400	98,980	70%
Castaic Lake WA	82,500	82,500	57,750	70%
Coachella Valley WD	23,100	23,100	16,170	70%
Crestline-Lake Arrowhead WA	5,800	5,800	4,060	70%
Desert WA	38,100	38,100	26,670	70%
Littlerock Creek ID	2,300	2,300	1,610	70%
Mojave WA	75,800	75,800	53,060	70%
Metropolitan WDSC	2,011,500	2,011,500	1,408,050	70%
Palmdale WD	21,300	21,300	14,910	70%
San Bernardino Valley MWD	102,600	102,600	71,820	70%
San Gabriel Valley MWD	28,800	28,800	20,160	70%
San Geronimo Pass WA	5,000	5,000	3,500	70%
Ventura County FCD	20,000	20,000	14,000	70%
Subtotal	2,558,200	2,558,200	1,790,740	
TOTAL	4,126,926	4,126,926	2,888,848	



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 03-06

DATE: MAY 16 2003

SUBJECT: 2003 State Water Project
Allocation Increase

FROM:


DEPUTY DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is increasing the allocation of 2003 State Water Project water for long-term contractors from 2.89 million acre-feet to 3.71 million acre-feet. Based on recent precipitation and the May 1 snow survey results, SWP supplies are projected to meet 90 percent of SWP contractors' 2003 Table A amounts, which total 4.13 MAF. A table reflecting the increased 2003 SWP allocated water is attached.

The Department's new approval considered several factors, including existing storage in SWP conservation reservoirs, SWP operational constraints, and 2003 contractor demands.

If you have any questions, please contact Dan Flory, Chief of the Department's State Water Project Analysis Office, at (916) 653-4313, or you may call Craig Trombly, of his staff at (916) 653-6250.

Attachment

**2003 STATE WATER PROJECT ALLOCATION INCREASE
(ACRE-FEET)**

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	3,500	3,500	3,150	90%
Plumas County FC&WCD	1,690	1,690	1,521	90%
City of Yuba City	9,600	9,600	8,640	90%
Subtotal	14,790	14,790	13,311	
<u>NORTH BAY</u>				
Napa County FC&WCD	21,475	21,475	19,328	90%
Solano County WA	46,756	46,756	42,080	90%
Subtotal	68,231	68,231	61,408	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	78,000	78,000	70,200	90%
Alameda County WD	42,000	42,000	37,800	90%
Santa Clara Valley WD	100,000	100,000	90,000	90%
Subtotal	220,000	220,000	198,000	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	5,130	90%
County of Kings	4,000	4,000	3,600	90%
Castaic Lake WA	12,700	12,700	11,430	90%
Dudley Ridge WD	57,343	57,343	51,609	90%
Empire West Side ID	3,000	3,000	2,700	90%
Kern County WA	1,000,949	1,000,949	900,854	90%
Tulare Lake Basin WSD	111,527	111,527	100,374	90%
Subtotal	1,195,219	1,195,219	1,075,697	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	22,500	90%
Santa Barbara County FC&WCD	45,486	45,486	40,937	90%
Subtotal	70,486	70,486	63,437	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	141,400	141,400	127,260	90%
Castaic Lake WA	82,500	82,500	74,250	90%
Coachella Valley WD	23,100	23,100	20,790	90%
Crestline-Lake Arrowhead WA	5,800	5,800	5,220	90%
Desert WA	38,100	38,100	34,290	90%
Littlerock Creek ID	2,300	2,300	2,070	90%
Mojave WA	75,800	75,800	68,220	90%
Metropolitan WDSC	2,011,500	2,011,500	1,810,350	90%
Palmdale WD	21,300	21,300	19,170	90%
San Bernardino Valley MWD	102,600	102,600	92,340	90%
San Gabriel Valley MWD	28,800	28,800	25,920	90%
San Geronio Pass WA	5,000	5,000	4,500	90%
Ventura County FCD	20,000	20,000	18,000	90%
Subtotal	2,558,200	2,558,200	2,302,380	
Recreation/Fish & Wildlife	0	0	0	
TOTAL	4,126,926	4,126,926	3,714,233	



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 03-07

DATE: MAY 19 2003

SUBJECT: 2003 Turn-back Water
Pool Program ResultsFROM: *Stephen W. Terzian*
DIRECTOR, DEPARTMENT OF WATER RESOURCES

The entire 29,770 acre-feet of water offered through Pools A and B of the 2003 Turn-back Water Pool Program has been sold to State Water Project contractors. Thirteen contractors purchased all of the 26,345 acre-feet of water offered through Pool A, and 14 contractors purchased all of the 3,425 acre-feet of water offered through Pool B. The attached table shows the offers and allocations of pool water.

Sellers and buyers are now required to enter into written agreements with the Department of Water Resources. These agreements are currently being prepared and will be mailed soon. Contractors selling or purchasing turn-back water should submit their revised delivery requests to the Department as early as possible.

If you have any questions, please contact Dan Flory, Chief of the Department's State Water Project Analysis Office, at (916) 653-4313, or you may call Craig Trombly, of his staff, at (916) 653-6250.

Attachment

2003 Turn-Back Water Pool Program Results
(acre-feet)

PARTICIPATING SWP CONTRACTORS	TABLE A	Pool A		Pool B	
		Sell	Buy	Sell	Buy
<u>FEATHER RIVER</u> County of Butte City of Yuba		375 2,320		175	
<u>NORTH BAY</u> Napa County FC&WCD	21,475		160		20
<u>SOUTH BAY</u> Alameda County FC&WCD Zone 7 Alameda County WD Santa Clara Valley WD	78,000 42,000 100,000		583 314 747		73 40 94
<u>SAN JOAQUIN VALLEY</u> County of Kings Dudley Ridge WD Kern County WA Oak Flat WD Tulare Lake Basin WSD	4,000 57,343 1,000,949 5,700 111,527		30 428 7,476 43 833		4 54 943 5 105
<u>CENTRAL COASTAL</u> Santa Barbara County FC&WCD	45,486				43
<u>SOUTHERN CALIFORNIA</u> AVEK WA Castaic Lake WA Coachella Valley WD Desert WA Mojave WA MWDSC Ventura County FCD	141,400 95,200 23,100 38,100 2,011,500	16,900 6,750	250 172 285 15,024	2,500 750	90 22 36 1,896
TOTAL		26,345	26,345	3,425	3,425



STATE OF CALIFORNIA

RESOURCES AGENCY

DEPARTMENT OF WATER RESOURCES

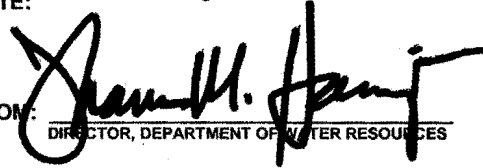
NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 03-08

DATE: MAY 16 2003

SUBJECT: Criteria for Bulletin 132-03

FROM:


DIRECTOR, DEPARTMENT OF WATER RESOURCES

Attached for your information are copies of "Criteria for Bulletin 132-2003 Project Operation Studies" and "Interest and Escalation Rates for Preparing Bulletin 132-2003."

These criteria are being used by the Department of Water Resources to prepare information for Bulletin 132-2003, "Management of the California State Water Project" and to determine Water Contractors' Statements of Charges for the year 2004.

If you have any questions, please contact Dan Flory, Chief of the Department's State Water Project Analysis Office, at (916) 653-4313 or Dave Knock, of his staff, at (916) 653-1894.

Attachments

**CRITERIA FOR BULLETIN 132-2003
PROJECT OPERATIONS STUDIES**

1. **Water Deliveries.** Water demands for the water operation studies will be based on the short-range, five-year (2003-2007) requests submitted by the State Water Contractors in October 2002 and the long-range (2008-2035) requests submitted by the SWC in October 2001.

2. **Water Supply.** The water and power studies will reflect compliance with the 1995 modification of the State Water Resources Control Board Decision 1485 (June 8, 1995, Order 95-6); the long-term National Marines Fishery Service Winter Run Biological Opinion as amended on May 17, 1995; the long-term U.S. Fish and Wildlife Service Delta Smelt Biological Opinion dated March 6, 1995; the March 15, 2001 revision of the December 1999 Water Right Decision 1641; and applicable operational constraints from Endangered Species Act Biological Opinions. The water supply assumed for water and power operation studies will be as follows:
 - (a) **2003** – The initial operations study for 2003 will assume hydrology sufficient to deliver 2.215 MAF (includes 0.031 MAF of “sellers water” to be stored in San Luis Reservoir and made available for later delivery to buyers and provides for 0.154 MAF of carryover water from 2002). Projections of power generation at Oroville will be based on the Oroville Reservoir inflow from the same hydrology. For generation at Pine Flat Reservoir, lower quartile inflow will be assumed. The 2003 water deliveries and water and power operations studies will be reviewed and finalized in March 2003 when the water supply forecast based on March 1, 2003 snow surveys becomes available.
 - (b) **2004** – State Water Project operations projected for 2004 are the basis for the 2004 Statements of Charges. The study will assume hydrology sufficient to deliver 3.979 MAF (SWC’s projected Table A requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
 - (c) **2005** – The 2005 studies will assume hydrology sufficient to deliver 3.969 MAF (SWC’s projected Table A requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
 - (d) **2006** – Assume hydrology sufficient to deliver SWC’s projected Table A requests of 3.914 MAF.
 - (e) **2007** – Assume hydrology sufficient to deliver SWC’s projected Table A requests of 4.198 MAF.
 - (f) **2008** and thereafter – Assume hydrology sufficient to deliver SWC’s’ projected Table A requests of 4.166 MAF.

3. **Future Project Facilities.** The schedule for initial operation of future project facilities to be used when preparing information for Bulletin 132-2003 is shown in the Table on page 3.

4. **Water Supply Augmentation**

(a) **Delta Pumps.** The total capacity of Banks Pumping Plant is 10,300 cfs; however, actual daily pumping volumes will be limited as stated in the U.S. Army Corps of Engineers Public Notices 5820A, October 1981, and 19990715, May 2000.

(b) **South Delta Improvements Program.** This program is scheduled for implementation as one of the components of Stage 1 of the CALFED Bay-Delta Program to address local and State Water Project water supply problems in the south Delta. Facilities in the program include the following:

- ◆ Construction of up to four flow control structures (barriers). Up to three barriers are proposed in south Delta channels to control water levels and circulation in the south Delta. The fourth barrier will provide protection for salmon migrating along the San Joaquin River.
- ◆ DWR will acquire a U.S. Army Corps of Engineers permit under Section 10 of the Rivers and Harbors Act to enable increased diversions into Clifton Court Forebay of 8,500 cfs at Banks Pumping Plant. The additional diversion capacity will increase SWP delivery capability and operational flexibility by enabling more water to be diverted when impacts to Delta fish are less.
- ◆ Selected channel dredging in the south Delta and modification of local diversion structures. The magnitude of this activity will depend on whether a three agricultural barrier, two agricultural barrier (no Grantline Canal barrier), or no agricultural barrier configuration is selected as the preferred alternative for SDIP.

(c) **Groundwater Programs.** On August 9, 1996, ownership of the Kern Fan Element Property and the La Hacienda Facilities was transferred to the Kern County Water Agency and Dudley Ridge Water District through the Kern Water Bank Authority as part of the Monterey Amendment. Fifty percent of any project water remaining in storage from the Berrenda Mesa Demonstration Program and the La Hacienda Water Purchase Program was also transferred to KWBA. The SWP retains the right to recover 15,000 acre-feet under the recovery agreement with KCWA. Additionally, under the 1990 Demonstration Program, the SWP retains the right to 40,131 acre-feet currently stored in Semitropic Water Storage District.

(d) Other Project Yield. For purposes of preparing water and power studies for future years, it will be assumed that the Project will deliver full Table A requests. Additional water supply needed to meet future delivery of requested Table A water would be assumed to be available from development of unspecified future conservation facilities.

5. **Power Operations**. Energy prices in the western states' power market have historically been highest during the on-peak hours and summer months. Despite recent market issues, this pattern is assumed to continue under the deregulated energy market. The aqueduct operation will be optimized to reduce power costs by minimizing on-peak and summer pumping within the constraints of operating criteria.

For Bulletin 132-2003, forecasted SWP power operations through the study period will be based on existing power sources and long-term power purchase and exchange contracts for off-peak power. Additional capacity and energy resources needed to meet power requirements will be from unspecified short-term purchases.

FUTURE PROJECT FACILITIES	Dates for Initial Operation	
	Bulletin 132-2002	Bulletin 132-2003
CALIFORNIA AQUEDUCT-EAST BRANCH		
East Branch Enlargement - Stage 2 Pearblossom Pumping Plant Units 10 & 11 (375 cfs)	Not Scheduled *	Not Scheduled*
Alamo Power Plant - Unit 2 (1,506 cfs)	Not Scheduled *	Not Scheduled *
East Branch Extension - Phase I	December 2002	Completed
CALIFORNIA AQUEDUCT-WEST BRANCH		
West Branch Enlargement Peace Valley Pipeline - second barrel Warne Power Plant - additional units	Not Scheduled Not Scheduled	Not Scheduled Not Scheduled
Gorman Creek Channel Modification	Deferred**	Deferred**
DELTA FACILITIES		
South Delta Improvement Program Facilities Additional Intake - Clifton Court Forebay Permanent Operable Barriers	July 2006 December 2007	No longer planned December 2008
OTHER		
Los Banos Grandes Facilities Corporate Yard	Not Scheduled Not Scheduled	Not Scheduled Not Scheduled

* Final units assumed to be available for water and power operation studies to transport project water as needed to meet water delivery requests. Capital costs and minimum OMP&R costs of final units will not be included in Bulletin 132-2003 because of uncertainty of scheduling.

** Lack of staff.

**TABLE 1
 INTEREST RATES TO BE USED IN PREPARING DATA AND
 INFORMATION FOR BULLETIN 132-2003
 STATE WATER CONTRACTORS' STATEMENTS OF CHARGES FOR 2004, AND
 DEPARTMENT FINANCIAL ANALYSIS STUDIES**

<u>Item</u>	<u>Interest Rate⁽¹⁾ Per Year</u>
1. Interest rates on future general obligation "Offset" bonds (If assumed sold) ⁽²⁾	5.5% (5.5%)
2. Interest Rate for future Water System Revenue Bonds ⁽²⁾	5.5% (6.0%)
3. Project Interest Rate for determining Statements of Charges for 2004	4.610% (4.613%)
4. Interest rate on future short-term investment of project funds ⁽³⁾	4.0% (6.5%)

-
- 1) For the purposes of Department studies, these rates are to be used as the effective rates of interest. Figures in parentheses are Bulletin 132-2002 assumptions.
 - 2) Future bonds are assumed to be repaid by the end of the Project repayment period (2035) or sooner, with maturities commencing in the year following the date of sale and with equal annual bond service for the principal repayment period.
 - 3) Based on the expected rate of return for funds invested in the State's Surplus Money Investment Fund.

**TABLE 2
BULLETIN 132-2003
COST ESCALATION RATES
FOR SWP FACILITIES
TO BE USED FOR FINANCIAL ANALYSIS STUDIES**

Percent Increase <u>Item</u>	<u>Per Year</u> ^{1), 2)}			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006-2035</u>
<u>Capital Costs</u>				
State Operations (Salaries and Benefits)	2.5 (5)	2.5 (5)	2.5 (5)	2.5 (5)
Construction, Direct Pay	1.5 (3)	2 (4)	2 (4)	2 (4)
Relocation, Direct Pay	4 (4)	4 (4)	4 (4)	4 (4)
Land and Rights, Direct Pay	4 (4)	4 (4)	4 (4)	4 (4)
<u>Operations and Maintenance Cost</u> ³⁾				
State Operations (Salaries and Benefits)	2.5 (5)	2.5 (5)	2.5 (5)	2.5 (5)

-
- 1) Statements of Charges for the year 2004 and Bulletin 132-2003 will be based on unescalated January 1, 2003 capital costs.
 - 2) All figures in parentheses were Bulletin 132-2002 assumptions.
 - 3) Operation and Maintenance costs in the Statements of Charges for the year 2004 and in Bulletin 132-2003 are to be escalated through 2005 and held at that level for the remainder of the Project repayment period. For specific Project studies requiring escalated costs, continue the percent rate for 2006-2035.



STATE OF CALIFORNIA

RESOURCES AGENCY

DEPARTMENT OF WATER RESOURCES

NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 03-09

DATE: 7/3/03

SUBJECT: Guidelines for Review of Proposed
Permanent Transfers of State Water
Project Annual Table A Amounts

FROM: 
INTERIM DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is issuing the following guidelines prepared in connection with the Settlement Agreement, dated May 5, 2003, reached in *Planning and Conservation League et al. v. Department of Water Resources*, 83 Cal. App. 4th 892 (2000). These guidelines are effective upon the superior court's approval of the Settlement Agreement on May 20, 2003.

1. **Purpose:** The purpose of these guidelines is to describe the process for DWR's review of proposed permanent transfers of State Water Project Annual Table A Amounts and, by so doing, provide disclosure to SWP contractors and to the public of DWR's process and policy for approving permanent transfer of SWP Annual Table A Amounts. Such disclosure should assist contractors in developing their transfer proposals and obtaining DWR review expeditiously, and assist the public in participating in that review.
2. **Coverage:** These guidelines will apply to DWR's approval of proposed permanent transfers of water among existing SWP contractors and, if and when appropriate, to proposed permanent transfers of water from an existing SWP contractor to a new SWP contractor.
3. **Interpretation:** These guidelines are in furtherance of the State policy in favor of voluntary water transfers and shall be interpreted consistent with the law, including but not limited to Water Code Section 109, the Burns-Porter Act, the Central Valley Project Act, the California Environmental Quality Act, area of origin laws, the public trust doctrine, and with existing contracts and bond covenants. These guidelines are not intended to change or augment existing law.
4. **Revisions:** Revisions may be made to these guidelines as necessary to meet changed circumstances, changes in the law or long-term water supply contracts, or to address conditions unanticipated when the guidelines are adopted. Revisions shall be in accordance with the Settlement Agreement.

Notice to State Water Project Contractors

JUL 3 2003
Page 2

5. **Distribution:** The transfer guidelines shall be published by DWR in the next available edition of Bulletin 132, and also as part of the biennial disclosure of SWP reliability as described in the Settlement Agreement.
6. **Contract Amendment:** Permanent transfers of SWP water are accomplished by amendment of each participating contractor's long-term water supply contract. The amendment consists of amending the Table A upwards for a buying contractor and downwards for a selling contractor. The amendment shall be in conformity with all provisions of the long-term water supply contracts, applicable laws, and bond covenants. Other issues to be addressed in the contract amendment will be subject to negotiation among DWR and the two participating contractors. The negotiations will be conducted in public, pursuant to the Settlement Agreement and Notice to State Water Project Contractors Number 03-10.
7. **Financial Issues:** The purchasing contractor must demonstrate to DWR's satisfaction that it has the financial ability to assume payments associated with the transferred water. If the purchasing entity was not a SWP contractor as of 2001, special financial requirements pertain as described below, as well as additional qualifications.
8. **Compliance with CEQA:** Consistent with CEQA, the State's policy to preserve and enhance environmental quality will guide DWR's consideration of transfer proposals (Public Resources Code Section 21000). Identification of the appropriate lead agency will be based on CEQA, the CEQA Guidelines, and applicable case law, including *PCL v. DWR*. CEQA requires the lead agency at a minimum to address the feasible alternatives to the proposed transfer and its potentially significant environmental impacts (1) in the selling contractor's service area; (2) in the buying contractor's service area; (3) on SWP facilities and operations; and (4) on the Delta and areas of origin and other regions as appropriate. Impacts that may occur outside of the transferring SWP contractors' service areas and on fish and wildlife shall be included in the environmental analysis. DWR will not approve a transfer proposal until CEQA compliance is completed. The lead agency shall consult with responsible and trustee agencies and affected cities and counties and, when DWR is not the lead agency, shall provide an administrative draft of the draft EIR or Initial Study/Negative Declaration to DWR prior to the public review period. A descriptive narrative must accompany a checklist, if a checklist is used. The lead agency shall conduct a public hearing on the EIR during the public comment period and notify DWR's State Water Project Analysis Office of the time and place of such hearing in addition to other notice required by law.
9. **Place of Use:** The purchasing contractor must identify the place and purpose of use of the purchased water, including the reasonable and beneficial use of the water.

Typically, this information would be included in the environmental documentation. If a specific transfer proposal does not fit precisely into any of the alternatives listed below, DWR will use the principles described in these Guidelines to define the process to be followed. The information to be provided under this paragraph is in addition to the CEQA information described in Paragraph 8 of these guidelines.

- a. If the place of use is within the contractor's service area, the contractor should disclose the purpose of the transferred water, such as whether the water is being acquired for a specific development project, to enhance overall water supply reliability in the contractor's service area, or some other purpose. If the transferred water is for a municipal purpose, the contractor should state whether the transfer is consistent with its own Urban Water Management Plan or that of its member unit(s) receiving the water.
- b. If the place of use is outside the contractor's service area, but within the SWP authorized place of use, and service is to be provided by an existing SWP contractor, then, in addition to Paragraph 9(a) above, the contractor should provide DWR with copies of LAFCO approval and consent of the water agency with authority to serve that area, if any. In some instances, DWR's separate consent is required for annexations in addition to the approval for the transfer.
- c. If the place of use is outside the SWP authorized place of use and service is to be provided by an existing SWP contractor, the contractor should provide information in Paragraph 9(a) and 9(b). Prior to approving the transfer, DWR will consider project delivery capability, demands for water supply from the SWP, and the impact, if any, of the proposed transfer on such demand. If DWR approves the transfer, DWR will petition State Water Resources Control Board for approval of expansion of authorized place of use. Water will not be delivered until the place of use has been approved by the SWRCB and will be delivered in compliance with any terms imposed by the SWRCB.
- d. If the place of use is outside the SWP authorized place of use and service is not to be provided by an existing SWP contractor, DWR will consider the transfer proposal as a proposal to become a new SWP contractor. Prior to adding a new SWP contractor, DWR will consider project delivery capability, demands for water supply from the SWP, and the impact, if any, of the proposed transfer on such demand. DWR will consult with existing SWP contractors regarding their water supply needs and the proposed transfer. In addition to the information in Paragraph 9(a), 9(b), and 9(c), the new contractor should provide information similar to that provided by the original SWP contractors in the 1960's Bulletin 119 feasibility report addressing hydrology, demand for water supply, population growth, financial feasibility, etc.

DWR will evaluate these issues independently and ordinarily will act as lead agency for CEQA purposes. In addition, issues such as area of origin claims, priorities, environmental impacts and use of water will be addressed. The selling contractor may not be released from financial obligations. The contract will be subject to a CCP 860 validation action initiated by the new contractor. If DWR approves the transfer, DWR will petition the SWRCB for approval of expansion of authorized place of use. Water will not be delivered until the place of use has been approved by the SWRCB and will be delivered in compliance with any terms imposed by the SWRCB.

10. DWR Discretion: Consistent with the long-term water supply contract provisions, CEQA, and other provisions of law, DWR has discretion to approve or deny transfers. DWR's exercise of discretion will incorporate the following principles:
 - a. As required by CEQA, DWR as an agency with statewide authority will implement feasible mitigation measures for any significant environmental impacts resulting from a transfer if such impacts and their mitigation are not addressed by other public agencies and are within DWR's jurisdiction.
 - b. DWR will invoke "overriding considerations" in approving a transfer only as authorized by law, including but not limited to CEQA, and, to the extent applicable, the public trust doctrine and area of origin laws.

If you have any questions or need further information, please contact Dan Flory, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313 or Nancy Quan of his staff at (916) 653-0190.



NOTICE TO

STATE WATER PROJECT CONTRACTORS

NUMBER: 03-10

DATE: 7/3/03

SUBJECT: Principles Regarding Public
Participation Process in State
Water Project Contract NegotiationsFROM: 
INTERIM DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is issuing the following guidelines prepared in connection with the Settlement Agreement, dated May 5, 2003, reached in *Planning and Conservation League et al. v. Department of Water Resources*, 83 Cal. App. 4th 892 (2000). These guidelines are effective upon the superior court's approval of the Settlement Agreement on May 20, 2003.

1. Policy: Given the importance of the State Water Project to the State of California, and the key role that the long-term water supply contracts play in the administration of the SWP, DWR agrees that public review of significant changes to these contracts is beneficial and in the public interest.
2. Types of Activities to be Covered: Project-wide contract amendments (i.e., contracts with substantially similar terms intended to be offered to all long-term SWP Contractors) and contract amendments to transfer Table A amounts between existing SWP contractors will not be offered to the contractors for execution unless DWR has first complied with the public participation process as described in Paragraphs (3), (4), (5), and (6).
3. The Public Participation Process:
 - 1) Negotiations will be conducted in public.
 - 2) The public will be provided with advance notice of the time and place of the negotiations.
 - 3) The public will be provided the opportunity to observe negotiations and comment in each negotiating session.
4. Timing of Public Participation: Public participation ordinarily will precede the formulation of the project description in the California Environmental Quality Act process in order to assure that the public participation is meaningful. When DWR is a responsible agency, (e.g., when existing SWP contractors agree to transfer Table A amounts between themselves), the public participation will be scheduled to facilitate coordination with the lead agency's CEQA process.

5. Activities That Will Not Be Subject to Public Participation: Informal discussions prior to exchange of formal drafts and discussion of topics that are authorized to be kept confidential by law will not be subject to the public participation process.
6. Contract Amendments Resulting From Litigation: If litigation has been formally initiated, and settlement negotiations result in a proposal to adopt project-wide amendments to settle the litigation, all proposed contract amendments shall be subject to the public participation process before they are approved by DWR.

Notices of public negotiations will be put on the DWR website.

If you have any questions or need further information, please contact Dan Flory, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313, or Nancy Quan of his staff at (916) 653-0190.



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 03-11

DATE: DEC 01 2003

SUBJECT: 2004 State Water Project
Allocation Increase

FROM:


DEPUTY DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is initially approving 1,445,084 acre-feet of Table A water for long-term State Water Project contractors in 2004. SWP supplies are projected to meet 35 percent of SWP contractors' Table A water. Attached is the initial 2004 SWP allocation table.

Consistent with the long-term water supply contracts and public policy, this allocation is made pursuant to the terms of the Monterey Amendment for those contractors that have signed the Amendment.

In making this allocation, the Department also considered a conservative projection of hydrology, SWP operational constraints, and 2004 contractor demands, including carryover water from 2003. SWP contractors' Table A for 2004 totals 4.13 million acre-feet, of which all was requested. The Department will revise the allocation as the year's hydrologic and water supply conditions develop.

Based on this initial allocation, the Department will prorate the 30 percent delivery schedules submitted by the contractors' earlier this year in developing new schedules, unless revised schedules are submitted. The Department will send an approved monthly water delivery schedule to each long-term contractor in December.

If you have any questions, please contact Dan Flory, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313, or you may call Craig Trombly, of his staff at (916) 653-6250.

Attachment

2004 STATE WATER PROJECT ALLOCATION

(ACRE-FEET)

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
FEATHER RIVER				
County of Butte	3,500	3,500	1,225	35%
Plumas County FC&WCD	1,750	1,750	613	35%
City of Yuba City	9,600	9,600	3,360	35%
Subtotal	14,850	14,850	5,198	
NORTH BAY				
Napa County FC&WCD	21,850	21,850	7,848	35%
Solano County WA	47,206	47,206	16,522	35%
Subtotal	69,056	69,056	24,170	
SOUTH BAY				
Alameda County FC&WCD, Zone 7	80,619	80,619	28,217	35%
Alameda County WD	42,000	42,000	14,700	35%
Santa Clara Valley WD	100,000	100,000	35,000	35%
Subtotal	222,619	222,619	77,917	
SAN JOAQUIN VALLEY				
Oak Flat WD	5,700	5,700	1,995	35%
County of Kings	9,000	9,000	3,150	35%
Castaic Lake WA	12,700	12,700	4,445	35%
Dudley Ridge WD	57,343	57,343	20,070	35%
Empire West Side ID	3,000	3,000	1,050	35%
Kern County WA	998,730	998,730	349,556	35%
Tulare Lake Basin WSD	106,127	106,127	37,144	35%
Subtotal	1,192,600	1,192,600	417,410	
CENTRAL COASTAL				
San Luis Obispo County FC&WCD	25,000	25,000	8,750	35%
Santa Barbara County FC&WCD	45,486	45,486	15,920	35%
Subtotal	70,486	70,486	24,670	
SOUTHERN CALIFORNIA				
Antelope Valley-East Kern WA	141,400	141,400	49,490	35%
Castaic Lake WA	82,500	82,500	28,875	35%
Coachella Valley WD	111,200	111,200	38,920	35%
Crestline-Lake Arrowhead WA	5,800	5,800	2,030	35%
Desert WA	50,000	50,000	17,500	35%
Littlerock Creek ID	2,300	2,300	806	35%
Mojave WA	75,800	75,800	26,530	35%
Metropolitan WDSC	1,911,500	1,911,500	669,025	35%
Palmdale WD	21,300	21,300	7,455	35%
San Bernardino Valley MWD	102,600	102,600	35,910	35%
San Gabriel Valley MWD	28,800	28,800	10,080	35%
San Geronio Pass WA	6,000	6,000	2,100	35%
Ventura County FCD	20,000	20,000	7,000	35%
Subtotal	2,559,200	2,559,200	895,720	
TOTAL	4,128,811	4,128,811	1,445,084	



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 03-12

DATE: DEC 19 2003

SUBJECT: Notice of Contest Regarding the
Accuracy of Statement Charges

FROM:

DIRECTOR, DEPARTMENT OF WATER RESOURCES

The water supply contracts require the contractors to give Notice of Contest regarding the accuracy of Statements of Charges to the State no later than 10 days prior to the date payments are due. However, the Department of Water Resources recognizes several areas must be left open for potential adjustment.

Accordingly, the Contractors shall have until December 21, 2004 to file Notices of Contest and to pursue other available remedies on Statement of Charges previously submitted for those contested items listed below which remain unresolved:

1. All costs incurred after January 1, 2003.
2. All charges affected by procedures for determining repayment of off-aqueduct power facilities.

In addition, the following previously contested items outlined in the State Water Contractors' letter of June 14, 1994 are open, and additional Notices of Contest of these items are not necessary.

1. Sources of funding for some statewide planning tasks currently charged to the water contractors.
2. Source of funding for certain programs including:
 - Delta facilities planning and evaluation
 - Delta facilities operations and maintenance
 - Bay/Delta Environmental Protection Study
3. Costs of the Suisun Marsh facilities, which remain unresolved by the Suisun Marsh Agreement.

4. Source of funding and cost of routine sediment removal activities in the San Luis Canal.
5. Project energy costs and related activities as follows:
 - Cost affected by project purpose allocations
 - Reimbursable expenditures remaining to be audited and reviewed by the contractors for Reid Gardner Powerplant
6. Reimbursement by the Los Angeles Department of Water and Power for costs of the Upper Castaic Canyon Recreation Development Plan.
7. Contra Costa Canal intake relocation costs charged to the contractors.
8. Statewide benefits accruing as a result of State Water Project expenditures for certain groundwater basins other than the Kern Water Bank.
9. The beneficiaries and funding of the State Water Project future water supply program.
10. The beneficiaries and funding of the recreation planning and implementation program.
11. Costs associated with Los Banos Grandes and Arroyo Pasajero which may be outside the scope of the water supply contact.

In addition, the long-term water supply contacts provide that any overpayment or underpayment to the State in any year, by reason of error in computation or other causes, shall be adjusted in the succeeding year. Under this provision, the Department makes adjustments to Statements of Charges without regard to time limitations. This provision applies, but is not limited to, the findings in audit reports of Ernst & Young LLP Independent Audit Association) and Richardson & Company (Metropolitan Water District to Southern California) for costs charged to the State water facilities as of December 31, 2002, and the annual Statement of Charges rendered by the Department dated June 30, 2003.