

NOTICE TO

STATE WATER PROJECT CONTRACTORS

NUMBER: 09-01

DATE:

SUBJECT: 2009 Turn-Back Water
Pool ProgramFROM: 
DEPUTY DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources (DWR) is offering a 2009 Turn-Back Water Pool Program pursuant to Article 56 of the Water Supply Contracts. This Program is available to interested State Water Project (SWP) contractors who have signed the Monterey Amendment, and is subject to the attached terms and conditions (Attachment A).

DWR will administer two Turn-Back Water Pools: Pool A and Pool B. A SWP 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 DWR may administer during 2009.

To participate in the 2009 Turn-Back Water Pool Program and be on the notification list, a contractor must complete, sign, and date the commitment (Attachment A) attached to this notice and return all pages of the attachment to Lincoln King, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. To meet the commitment due date, contractor's can e-mail signed notices to Mark Risney at mrисney@water.ca.gov, as long as the original notice is also mailed. The time schedule for this Program (Attachment B) is included as a reference.

If you have any questions or need additional information about this Program, please contact Mr. Risney at (916) 653-8127 or Mr. King at (916) 653-4389.

Attachments

Attachment A
2009 Turn-Back Water Pool Program

Terms and Conditions

1. The 2009 Turn-Back Water Pools are subject to Article 56 of the Water Supply Contracts.
2. A SWP contractor may sell allocated 2009 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 2009, and (2) the contractor has not elected to carry over Table A water from 2008 pursuant to Article 12(e) or Article 56 of its Water Supply Contract.
3. Sales and purchases of Turn-Back Water Pool shall not affect the 2009 allocation of Table A water to any SWP contractors.
4. Turn-Back Pool water purchased by a contractor will be delivered to the contractor's service area from the SWP facilities, or as otherwise arranged, consistent with the contractor's Water Supply Contract.
5. DWR may limit or delay delivery of Turn-Back Pool water due to either (a) limits on the operational capacity of SWP facilities, or (b) changing operational conditions.
6. 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 2009 Table A amount. Delivery priority of Turn-Back Pool water in excess of the contractor's Table A amount will be Priority 6.
7. Contractor's selling Turn-Back Pool water shall submit a revised water delivery schedule to DWR reflecting changes due to the sale of their water. Likewise, a contractor purchasing Turn-Back Pool water should submit its revised delivery request to DWR as soon as possible after being allocated the Turn-Back Pool water. All water schedules shall be prepared in accordance with Article 12 of the contractor's Water Supply Contract.
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 SWP service area, but it must be consistent with water rights permits for the SWP.
9. The 2009 Turn-Back Water Pool Program shall not be a precedent for future programs.

10. A SWP contractor offering to sell Turn-Back Pool water in either Pool A or in Pool B must submit a completed and signed copy of this Agreement for each Pool as appropriate (see last two pages of this Agreement). Sellers shall indicate the amount of water they want to sell in Pool A and/or Pool B using the chart provided with the signature page. DWR must receive a signed Agreement on or before 12:01 p.m., February 15, 2009 for Pool A water sales, and on or before 12:01 p.m., March 15, 2009 for Pool B water sales. It is acceptable to submit a signature page by e-mail to Mark Risney at mrisney@water.ca.gov and Lincoln King at lking@water.ca.gov in order to meet the deadline; however, an original signature must be submitted as soon as possible afterwards.
11. A SWP contractor offering to buy Turn-Back Pool water in either Pool A or in Pool B must submit a completed and signed copy of this Agreement for each Pool as appropriate (see last two pages of this Agreement). Buyers shall indicate the amount of water they want to purchase in Pool A and/or Pool B using the chart provided with the signature page. DWR must receive a signed Agreement on or before 12:01 p.m., March 1, 2009 for Pool A water purchases and on or before 12:01 p.m., April 1, 2009 for Pool B water purchases. It is acceptable to submit a signature page by e-mail to Mark Risney at mrisney@water.ca.gov and Lincoln King at lking@water.ca.gov in order to meet the deadline; however, an original signature must be submitted as soon as possible afterwards.
12. The price for Pool A water will be \$17.49 (50 percent of the 2009 Delta Water Rate) for each acre-foot of water purchased or sold. Also, the price for Pool B water will be \$8.74 (25 percent of the 2009 Delta Water Rate) for each acre-foot of water purchased or sold. In addition to the charge per acre-foot, the purchasing contractor shall pay DWR the 2009 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 DWR as described in Article 56(d)(7).
13. DWR will notify all participating contractors by e-mail after the current sales and allocation information at each stage of the Program. These notifications will be sent out within three working days of each of the above milestone dates.
14. DWR will invoice each purchasing contractor for the purchase price of the water, with payment due 30 days from the date of the invoice. Likewise, DWR will pay each selling contractor for their water within 30 days after DWR has received payment from all the purchasers.
15. All sales and purchases through Pool A are irrevocable even if DWR reduces Table A allocations on or after February 15, 2009.
16. DWR will finalize the allocation of sales and purchases of Pool B water on June 1, 2009. The percentage of Table A allocations in effect on this date will determine the final amounts. Only contractors who were active participants in this Program on April 1, 2009 will be allowed to participate. No reallocation of sales or purchases will be done after June 1, 2009.

17. In the event that any water remains unsold in either Pool, the offering contractor may cancel its offer to sell its share of unsold water in writing. A cancellation letter or advance copy sent by e-mail must be received no later than 12:01 p.m., March 16, 2009 for Pool A water and by no later than 12:01 p.m., April 15, 2009 for Pool B water.
18. DWR shall decide by April 21, 2009 whether to purchase any portion of Pool A water remaining unsold on that date.

AGREEMENT TO SELL/PURCHASE 2009 TURN-BACK POOL WATER IN POOL A

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 below, sign in the space provided, and return all pages of this Attachment A to the State Water Project Analysis Office. A contractor's signature indicates acceptance of all of the terms and conditions of this Program as set forth in this Attachment A.

Purchasers of Turn-Back Pool A water may either check the following box to receive the full allocation of water offered or fill in the chart below for specific purchase amounts.

() We agree to purchase all available Turn-Back Pool A water.

Table A Allocation As of February 15, 2009 (Percent)	Amount to Sell (Acre-Feet)	Amount to Buy (Acre-Feet)
15		
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Authorized Representative
Signature

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Chief, State Water Project Analysis Office

Agency

Date

Contact Person

Email

Telephone

AGREEMENT TO SELL/PURCHASE 2009 TURN-BACK POOL WATER IN POOL B

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 below, sign in the space provided, and return all pages of this Attachment A to the State Water Project Analysis Office. A contractor's signature indicates acceptance of all of the terms and conditions of this Program as set forth in this Attachment A.

Purchasers of Turn-Back Pool B water may either check the following box to receive the full allocation of water offered or fill in the chart below for specific purchase amounts.

() We agree to purchase all available Turn-Back Pool B water.

Table A Allocation As of June 1, 2009 (Percent)	Amount to Sell (Acre-Feet)	Amount to Buy (Acre-Feet)
15		
20		
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Authorized Representative
Signature

Agency

Date

Contact Person

Email

Telephone

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Chief, State Water Project Analysis Office



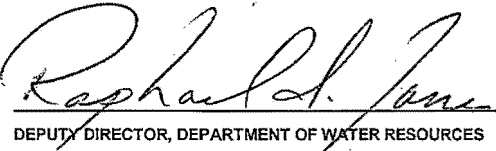
NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 09-02

DATE: MAR 3 - 2009

SUBJECT: Correction to 2009 Turn-Back
Water Pool Program Pricing

FROM:


DEPUTY DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources (DWR) issued Notice to State Water Project Contractors 09-01, describing the terms and conditions of the 2009 Turn-Back Water Pool Program pursuant to Article 56 of the Water Supply Contracts, on February 11, 2009. The terms and conditions described the price for Pool A water at \$17.49 (50 percent of the 2009 Delta Water Rate) and the price for Pool B water at \$8.74 (25 percent of the 2009 Delta Water Rate) for each acre-foot of water purchased or sold. This pricing did not take into account that the 2009 Delta Water Rate was changed to \$30.48 from \$34.97 during the December 2008 re-bill. Therefore, the 2009 Turn-Back Pool Program shall be correctly priced as follows: The price for Pool A water will be \$15.24 (50 percent of the 2009 Delta Water Rate) for each acre-foot of water purchase or sold. Also, the price for Pool B water will be \$7.62 (25 percent of the 2009 Delta Water Rate) for each acre-foot of water purchased or sold. The revised Attachment A provides the corrected terms and conditions.

To participate in the 2009 Turn-Back Water Pool Program and be on the notification list, a contractor must complete, sign, and date the commitment (Attachment A) attached to this notice and return all pages of the attachment to Lincoln King, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. To meet the commitment due date, contractors can e-mail signed notices to Mark Risney at mrisney@water.ca.gov, as long as the original notice is also mailed. A schedule for this Program (Attachment B) is included as a reference.

Notice to State Water Project Contractors

MAR 3 - 2009

Page 2

If you have already submitted a completed commitment form, please resubmit your offer acknowledging the corrected terms and conditions attached to this Notice. The date of the original submission will be honored with regard to meeting the required deadlines.

If you have any questions or need additional information, please contact Mr. Risney at (916) 653-8127 or Mr. King at (916) 653-4389.

Attachments

Attachment A
2009 Turn-Back Water Pool Program

Terms and Conditions

1. The 2009 Turn-Back Water Pools are subject to Article 56 of the Water Supply Contracts.
2. A SWP contractor may sell allocated 2009 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 2009, and (2) the contractor has not elected to carry over Table A water from 2008 pursuant to Article 12(e) or Article 56 of its Water Supply Contract.
3. Sales and purchases of Turn-Back Water Pool shall not affect the 2009 allocation of Table A water to any SWP contractors.
4. Turn-Back Pool water purchased by a contractor will be delivered to the contractor's service area from the SWP facilities, or as otherwise arranged, consistent with the contractor's Water Supply Contract.
5. DWR may limit or delay delivery of Turn-Back Pool water due to either (a) limits on the operational capacity of SWP facilities, or (b) changing operational conditions.
6. 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 2009 Table A amount. Delivery priority of Turn-Back Pool water in excess of the contractor's Table A amount will be Priority 6.

Attachment A Terms and Conditions

7. Contractors selling Turn-Back Pool water shall submit a revised water delivery schedule to DWR reflecting changes due to the sale of their water. Likewise, a contractor purchasing Turn-Back Pool water should submit its revised delivery request to DWR as soon as possible after being allocated the Turn-Back Pool water. All water schedules shall be prepared in accordance with Article 12 of the contractor's Water Supply Contract.
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 SWP service area, but it must be consistent with water rights permits for the SWP.
9. The 2009 Turn-Back Water Pool Program shall not be a precedent for future programs.
10. A SWP contractor offering to sell Turn-Back Pool water in either Pool A or in Pool B must submit a completed and signed copy of this Agreement for each Pool as appropriate (see last two pages of this Agreement). Sellers shall indicate the amount of water they want to sell in Pool A and/or Pool B using the chart provided with the signature page. DWR must receive a signed Agreement on or before 12:01 p.m., February 15, 2009 for Pool A water sales, and on or before 12:01 p.m., March 15, 2009 for Pool B water sales. It is acceptable to submit a signature page by e-mail to Mark Risney at mrisney@water.ca.gov and Lincoln King at lking@water.ca.gov in order to meet the deadline; however, an original signature must be submitted as soon as possible afterwards.
11. A SWP contractor offering to buy Turn-Back Pool water in either Pool A or in Pool B must submit a completed and signed copy of this Agreement for each Pool as appropriate (see last two pages of this Agreement). Buyers shall

Attachment A Terms and Conditions

indicate the amount of water they want to purchase in Pool A and/or Pool B using the chart provided with the signature page. DWR must receive a signed Agreement on or before 12:01 p.m., March 1, 2009 for Pool A water purchases and on or before 12:01 p.m., April 1, 2009 for Pool B water purchases. It is acceptable to submit a signature page by e-mail to Mark Risney at mrisney@water.ca.gov and Lincoln King at lking@water.ca.gov in order to meet the deadline; however, an original signature must be submitted as soon as possible afterwards.

12. The price for Pool A water will be \$15.24 (50 percent of the 2009 Delta Water Rate) for each acre-foot of water purchased or sold. Also, the price for Pool B water will be \$7.62 (25 percent of the 2009 Delta Water Rate) for each acre-foot of water purchased or sold. In addition to the charge per acre-foot, the purchasing contractor shall pay DWR the 2009 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 DWR as described in Article 56(d)(7).
13. DWR will notify all participating contractors by e-mail after the current sales and allocation information at each stage of the Program. These notifications will be sent out within three working days of each of the above milestone dates.
14. DWR will invoice each purchasing contractor for the purchase price of the water, with payment due 30 days from the date of the invoice. Likewise, DWR will pay each selling contractor for their water within 30 days after DWR has received payment from all the purchasers.
15. All sales and purchases through Pool A are irrevocable even if DWR reduces Table A allocations on or after February 15, 2009.

Attachment A Terms and Conditions

16. DWR will finalize the allocation of sales and purchases of Pool B water on June 1, 2009. The percentage of Table A allocations in effect on this date will determine the final amounts. Only contractors who were active participants in this Program on April 1, 2009 will be allowed to participate. No reallocation of sales or purchases will be done after June 1, 2009.

17. In the event that any water remains unsold in either Pool, the offering contractor may cancel its offer to sell its share of unsold water in writing. A cancellation letter or advance copy sent by e-mail must be received no later than 12:01 p.m., March 16, 2009 for Pool A water and by no later than 12:01 p.m., April 15, 2009 for Pool B water.

18. DWR shall decide by April 21, 2009 whether to purchase any portion of Pool A water remaining unsold on that date.

AGREEMENT TO SELL/PURCHASE 2009 TURN-BACK POOL WATER IN POOL A

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 below, sign in the space provided, and return all pages of this Attachment A to the State Water Project Analysis Office. A contractor's signature indicates acceptance of all of the terms and conditions of this Program as set forth in this Attachment A.

Purchasers of Turn-Back Pool A water may either check the following box to receive the full allocation of water offered or fill in the chart below for specific purchase amounts.

() We agree to purchase all available Turn-Back Pool A water.

Table A Allocation As of February 15, 2009 (Percent)	Amount to Sell (Acre-Feet)	Amount to Buy (Acre-Feet)
5		
10		
15		
20		
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35		
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Authorized Representative
Signature

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Chief, State Water Project Analysis Office

Agency

Date

Contact Person

Email

Telephone

AGREEMENT TO SELL/PURCHASE 2009 TURN-BACK POOL WATER IN POOL B

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 below, sign in the space provided, and return all pages of this Attachment A to the State Water Project Analysis Office. A contractor's signature indicates acceptance of all of the terms and conditions of this Program as set forth in this Attachment A.

Purchasers of Turn-Back Pool B water may either check the following box to receive the full allocation of water offered or fill in the chart below for specific purchase amounts.

() We agree to purchase all available Turn-Back Pool B water.

Table A Allocation As of June 1, 2009 (Percent)	Amount to Sell (Acre-Feet)	Amount to Buy (Acre-Feet)
5		
10		
15		
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Authorized Representative
Signature

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Chief, State Water Project Analysis Office

Agency

Date

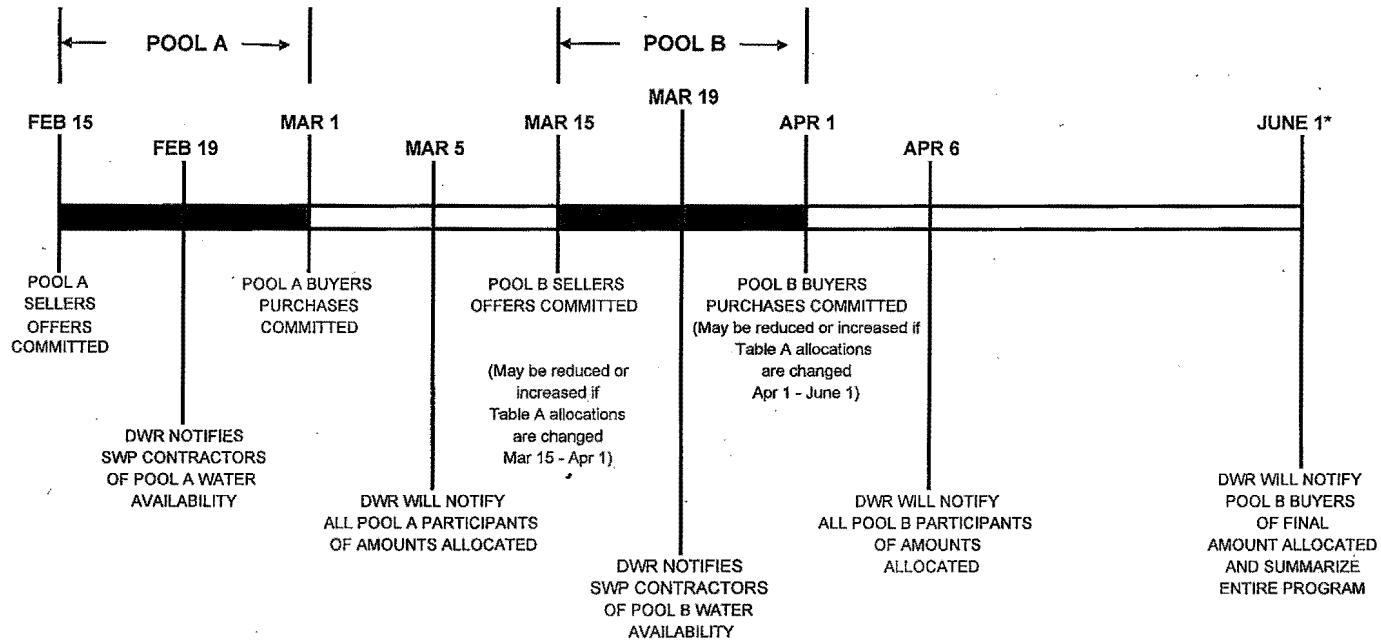
Contact Person

Email

Telephone

2009 TURN-BACK POOL SCHEDULE

Attachment B



* The June 1 date only applies if Table A allocations have changed between April 1 and June 1. Only participants who were fully committed as of April 1 will be involved.



NOTICE TO

STATE WATER PROJECT CONTRACTORS

NUMBER: 09-03

DATE: MAR - 3 2009

SUBJECT: Criteria for Bulletin 132-09

FROM:

Raphael A. Jones
DEPUTY DIRECTOR, DEPARTMENT OF WATER RESOURCES

Attached for your information are copies of "Criteria for Bulletin 132-2009 State Water Project Operations Studies" and "Interest Cost and Escalation Rates for Preparing Bulletin 132-2009."

These criteria are being used by the Department of Water Resources to prepare information for Bulletin 132-2009, "Management of the California State Water Project" and to determine Water Contractors' Statements of Charges for the year 2010.

If you have any questions or need additional information, please contact Robert Cooke, Chief of the State Water Project Analysis Office at (916) 653-4313, or you may call Susan Lee of his staff at (916) 653-1894.

Attachments

TABLE 1

INTEREST RATES TO BE USED IN PREPARING DATA AND
 INFORMATION FOR BULLETIN 132-2009
 WATER CONTRACTORS' STATEMENTS OF CHARGES FOR 2010, AND
 DEPARTMENT FINANCIAL ANALYSIS STUDIES

<u>Item</u>	<u>Interest Rate¹ Per Year</u>
1. Interest rates on future general obligation "Offset" bonds (If assumed sold) ²	5.0% (5.0%)
2. Interest Rate for future Water System Revenue Bonds ²	4.5% (4.5%)
3. Project Interest Rate for determining Statements of Charges for 2010	4.608% (4.608%)
4. Interest rate on future short-term investment of project funds ³	3.0% (5.0%)

¹For the purposes of Department studies, these rates are to be used as the effective rates of interest. Figures in parentheses are Bulletin 132-08 assumptions.

²Future 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.

³Based on the expected rate of return for funds invested in the State's Surplus Money Investment Fund.

TABLE 2
BULLETIN 132-2009
COST ESCALATION RATES
FOR SWP FACILITIES
TO BE USED FOR FINANCIAL ANALYSIS STUDIES

<u>Item</u>	<u>Percent Increase</u> <u>Per Year¹</u>			
	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012-2035</u>
<u>Capital Costs</u>				
State Operations (Salaries and Benefits)	4 (5)	2.5 (5)	2.5 (5)	2.5 (5)
Construction, Direct Pay	5 (5)	5 (5)	5 (5)	5 (5)
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 Cost²</u>				
State Operations (Salaries and Benefits)	4 (5)	2.5 (5)	2.5 (5)	2.5 (5)

¹ All figures in parentheses were Bulletin 132-08 assumptions.

² Operation and Maintenance costs in the Statements of Charges for the year 2010 and in Bulletin 132-09 are to be escalated through 2011 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 2012-2035.

**CRITERIA FOR BULLETIN 132-09
STATE WATER PROJECT OPERATIONS STUDIES**

This criteria provides a summary of the basic operations assumptions to be used in developing the 2010 Statement of Charges. Actual SWP operations may ultimately be different and contractor billings will be adjusted as appropriate.

1. **Water Deliveries:** Water demands for the water operations studies will be based on the short-range, five-year (2009-2013) requests submitted by the SWP Contractors (Contractors) in October 2008 and the long-range (2014-2035) requests submitted by the Contractors in October 2008.

2. **Water Supply:** The water and power operations studies will reflect compliance with the long-term NMFS Winter Run Biological Opinion issued October 22, 2004; the long-term USFWS Delta Smelt Biological Opinion to be issued December 15, 2008; the Amended 2084 Measures for the Emergency Regulation to Authorize take of Longfin Smelt issued November 14, 2008; and the March 15, 2000 revision of the December 1999 Water Right Decision 1641. The water supply assumed for water and power operation studies will be as follows:
 - (a) 2009 – The initial operations study for 2009 will assume hydrology sufficient to deliver 1.966 MAF. 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 2009 water deliveries and water and power operations studies will be reviewed and finalized in March 2009 when the water supply forecast based on March 1, 2009 snow surveys becomes available.
 - (b) 2010 – SWP operations projected for 2010 are the basis for the 2010 Statements of Charges. The study will assume hydrology sufficient to deliver 3.705 MAF (Contractors' projected Table A requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
 - (c) 2011 – The 2011 studies will assume hydrology sufficient to deliver 3.713 MAF (Contractors' projected Table A requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
 - (d) 2012 – Assume hydrology sufficient to deliver Contractors' projected Table A requests of 3.717 MAF.
 - (e) 2013 – Assume hydrology sufficient to deliver Contractors' projected Table A requests of 3.726 MAF.
 - (f) 2014 and thereafter – Assume hydrology sufficient to deliver contractors' projected Table A requests of 3.748 MAF.

3. **Future Project Facilities:** The schedule for initial operation of future project facilities to be used when preparing information for Bulletin 132-09 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 (SDIP).** This program is scheduled for implementation as one of the components of Stage 1 of the CALFED Bay-Delta Program to address local and SWP water supply problems in the South Delta. Construction of the permanent operable gates and the channel dredging proposed to be implemented now under Stage 1 of the SDIP. Stage 2, which would include increasing diversions, has been deferred indefinitely in view of the pelagic organism decline in the Delta. Facilities in the SDIP include the following:

- ◆ Construction of four flow control structures (gates). Three gates are proposed in South Delta channels to control water levels and circulation in the South Delta. The fourth gate will provide protection for salmon migrating along the San Joaquin River (SDIP Stage 1).
- ◆ Selected channel dredging in the South Delta and modification of local diversion structures. Several miles of river channels are proposed to be dredged to reduce the need to operate gates for water state. Twenty-four shallow agricultural diversions will be extended to ensure access to water (SDIP Stage 1).

(c) **Ground Water 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 (KCWA) and Dudley Ridge Water District through the Kern Water Bank Authority (KWBA) as part of the Monterey Amendment. Fifty percent of any SWP 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 20,065 acre-feet currently stored in Semitropic Water Storage District. The SWP recovered 10,033 acre-feet of previously stored water in Semitropic Water Storage District during 2008, and is projected to recover 10,033 acre-feet in 2009.

(d) Other Project Yield. For purposes of preparing water and power studies for future years, it will be assumed that the SWP 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 north of the Delta.

5. Power Operations: Energy prices in the western states' power market have historically been highest during the on-peak hours and summer months. To minimize power costs, aqueduct operation will be optimized by minimizing on-peak pumping within operating criteria constraints.

For Bulletin 132-09, forecasted SWP power resources for the study period will be based on existing SWP generation and long-term power purchase and exchange contracts. 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 132-08	Bulletin 132-09
CALIFORNIA AQUEDUCT - EAST BRANCH		
East Branch Enlargement - Stage 2 Pearblossom Pumping Plant – Units 10 & 11 (375 cfs) Alamo Power Plant – Unit 2 (1,506 cfs)	June 2017	July 2017
East Branch Extension - Phase I Improvements	March 2007	April 2011
East Branch Extension – Phase II	September 2012	April 2013
SOUTH BAY AQUEDUCT		
Improvement and Enlargement	September 2009	December 2010
DELTA FACILITIES		
South Delta Improvement Program Facilities Permanent Operable Barriers	April 2011	April 2012
Delta Habitat Conservation and Conveyance Program	-	January 2016
Sherman and Twitchell Island Fishscreens	-	December 2009
NORTH BAY AQUEDUCT		
Alternative Intake	-	July 2016

Memorandum

Date: JAN 15 2009

To: 1. Raphael A. Torres
2. Susan Sims
3. Lester A. Snow

From: Robert B. Cooke, Chief
State Water Project Analysis Office
Department of Water Resources

Subject: Criteria for State Water Project Operations Studies for Use in Preparing 2010 Statement of Charges and Bulletin 132-09

Attached is a summary of basic assumptions that we recommend for use in the State Water Project (SWP) operations studies for Bulletin 132-09 and the SWP Contractor's Statements of Charges for the year 2010. These assumptions reflect the Department of Water Resources' (DWR) current planning for future facilities as well as future water management plans.

The criteria for SWP operations studies have been coordinated with the Division of Operations and Maintenance, Bay-Delta Office, and Division of Engineering.

The water delivery estimates are based on the Table A requests submitted by the SWP contractors, on SWP reservoir storage, and on hydrology estimates for the rest of the water year. The water delivery for 2009 will be finalized when the March 1, 2009 snow survey becomes available.

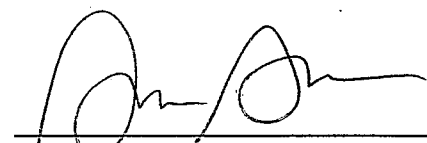
Assumptions on financing and repayment criteria are addressed in a separate memorandum. If you have any questions or need additional information, please contact Susan Lee of my staff at (916) 653-1894.

APPROVAL RECOMMENDED:

APPROVAL RECOMMENDED:



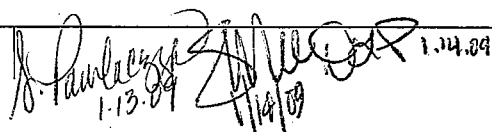
Raphael A. Torres
Deputy Director

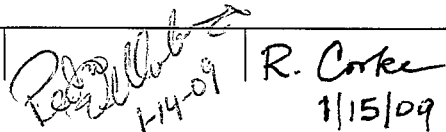


Susan Sims
Chief, Deputy Director

Date 01.11.2009

Date 2/23/09






1. Raphael A. Torres, et al

JAN 15 2009

Page 2

APPROVED:



Lester A. Snow
Director

Date 2/25/09

Attachment

MemorandumDate: **JAN 15 2009**To: 1. Raphael A. Torres
2. Susan Sims
3. Lester A. SnowFrom: Robert B. Cooke, Chief
State Water Project Analysis Office
Department of Water ResourcesSubject: Interest and Escalation Rates for Preparing 2010 Statements of Charges and
Bulletin 132-09

The State Water Project Analysis Office recommends that the Department of Water Resources uses the interest and cost escalation rates shown in Tables 1 and 2, attached, for preparing:

1. Statements of Charges for the year 2010 to the State Water Project (SWP) contractors.
2. Bulletin 132-09:
 - a. Capital and operating cost projections;
 - b. Financial analysis studies;
 - c. Projections of SWP bond costs; and
 - d. Projections of revenues from short-term investments of project funds.

The information presented in Tables 1 and 2 has been coordinated with the Divisions of Fiscal Services and Engineering. Tables 1 and 2 show the recommended interest rates and cost escalation rates, respectively, for the forecast period (i.e., 2009 through 2035). The rates that were assumed for Bulletin 132-08 are shown in parentheses.

The interest rates are based on current market trends and future financial outlook. The projected interest rate on future short-term investment decreased for Bulletin 132-09 because of the current downturn in the economy. The other interest rates remain unchanged.

The escalation rates for State Operations are developed from past and future salary and benefits adjustments, which are leveled out to provide a constant rate over the forecast period. The projected escalation rates for State Operations have declined for Bulletin 132-09 due to the current State fiscal situation and merit salary adjustments. The escalation rate for construction is developed from estimating past and current projects as well as the rates used by federal agencies (i.e. U.S. Department of the

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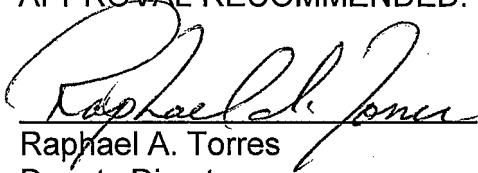
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R. Cooke 1/15/09

Interior's Bureau of Reclamation and U.S. Army Corps of Engineers). Escalation rates for construction, relocation, and land and rights activities remain the same. The publication "Trends in Agricultural Land and Lease Values" is utilized in determining the escalation rates for relocation and land and rights. The vast majority of the lands acquired for project purposes are agricultural lands, which have remained stable with slight increases over the last several years.

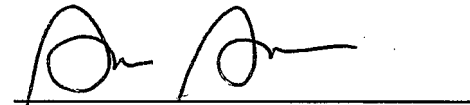
If you have any questions or need additional information, please contact Susan Lee of my staff at (916) 653-1894.

APPROVAL RECOMMENDED:


Raphael A. Torres
Deputy Director


Date 02.11.2009

APPROVAL RECOMMENDED:


Susan Sims
Chief Deputy Director

Date 2/23/09

APPROVED:


Lester A. Snow
Director

Date 2/25/09

Attachments



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 09-04

DATE: MAR 18 2009

SUBJECT: 2009 State Water Project
Allocation Increase

FROM:

A handwritten signature in black ink, appearing to be "D. M. ...", is written over a horizontal line.

Deputy Director, Department of Water Resources

The Department of Water Resources (DWR) is increasing the allocation of 2009 State Water Project (SWP) water for long-term contractors from 624,620 acre-feet to 833,275 acre-feet. Based on recent water precipitation and current water supply conditions, SWP supplies are projected to meet 20 percent of most SWP Contractors' 2009 requested Table A amounts, which total 4,166,376 acre-feet. Attached is the revised 2009 SWP allocation table.

DWR's new approval considered several factors, including existing storage in SWP conservation reservoirs, SWP operational constraints, including the conditions of the recent Biological Opinion for Delta smelt, and 2009 contractor demands. DWR may revise allocations if warranted by the year's developing hydrologic and water conditions.

If you have any questions or need additional information, please contact Robert Cooke, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313.

Attachment

**2009 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)**

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT INITIAL REQUEST APPROVED (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	5,500	20%
Plumas County FC&WCD	2,090	2,090	418	20%
City of Yuba City	9,600	9,600	1,920	20%
Subtotal	39,190	39,190	7,838	
<u>NORTH BAY</u>				
Napa County FC&WCD	23,525	23,525	4,705	20%
Solano County WA	47,456	47,456	9,491	20%
Subtotal	70,981	70,981	14,196	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	80,619	80,619	16,124	20%
Alameda County WD	42,000	42,000	8,400	20%
Santa Clara Valley WD	100,000	100,000	20,000	20%
Subtotal	222,619	222,619	44,524	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	1,140	20%
County of Kings	9,305	9,305	1,861	20%
Dudley Ridge WD	57,343	57,343	11,469	20%
Empire West Side ID	3,000	3,000	600	20%
Kern County WA	998,730	998,730	199,746	20%
Tulare Lake Basin WSD	95,922	95,922	19,184	20%
Subtotal	1,170,000	1,170,000	234,000	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	5,000	20%
Santa Barbara County FC&WCD	45,486	45,486	9,097	20%
Subtotal	70,486	70,486	14,097	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	141,400	141,400	28,280	20%
Castaic Lake WA	95,200	95,200	19,040	20%
Coachella Valley WD	121,100	121,100	24,220	20%
Crestline-Lake Arrowhead WA	5,800	5,800	1,160	20%
Desert WA	50,000	50,000	10,000	20%
Littlerock Creek ID	2,300	2,300	460	20%
Mojave WA	75,800	75,800	15,160	20%
Metropolitan WDSC	1,911,500	1,911,500	382,300	20%
Palmdale WD	21,300	21,300	4,260	20%
San Bernardino Valley MWD	102,600	102,600	20,520	20%
San Gabriel Valley MWD	28,800	28,800	5,760	20%
San Geronio Pass WA	17,300	17,300	3,460	20%
Ventura County FCD	20,000	20,000	4,000	20%
Subtotal	2,593,100	2,593,100	518,620	
TOTAL	4,166,376	4,166,376	833,275	



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 09-05

DATE: APR 17 2009

SUBJECT: Water Systems Revenue Bonds, Series AF

FROM: 
DIRECTOR, DEPARTMENT OF WATER RESOURCES

Department of Water Resources
Central Valley Project Water System Revenue Bonds, Series AF
Par Amount: \$287,735,000
Closing Date: March 19, 2009

Summary of Financing Results

The Department of Water Resources (DWR) took advantage of a very steep municipal yield curve to current refund three series of bonds (Series Q, T and U) for total net present value savings of \$15,862,428. Strong investor demand for DWR's credit secured significant refunding savings on the Series Q, T and U Bonds. The Series AF Bonds also funded the takeout of approximately \$33.36 million of commercial paper that had been issued to fund State Water Projects. A summary of the financing results is provided in Table 1 below.

Table 1: Summary of Financing Results

	Series Q Refunding	Series T Refunding	Series U Refunding	South Bay Aqueduct Enlargement	Off Aqueduct Reid Gardner	Total
Par Amount Refunded	\$56,445,000	\$73,365,000	\$136,870,000	N/A	N/A	\$266,680,000
Average Coupon of Refunded Bonds	5.35%	5.06%	5.01%	N/A	N/A	5.08%
Average Life of Refunded Bonds	11.8 years	2.3 years	13.7 years	N/A	N/A	10.1 years
CP Refunded	N/A	N/A	N/A	\$23,529,768	\$9,830,353	\$33,360,121
New Present Value Savings	\$5,699,432	\$4,053,673	\$6,109,322	N/A	N/A	\$15,862,428
Percentage Savings of Refunded Bonds	10.10%	5.53%	4.46%	N/A	N/A	5.95%
Average Life	11.7 years	2.3 years	13.6 years	14.7 years	3.3 years	10.4 years
All-in TIC	4.19%	1.76%	4.44%	4.52%	2.03%	4.18%

Summary of Cash Flow Savings

The significant savings DWR achieved on the financing will provide cash flow relief over the next 20 years. Below in Table 2 is a summary of yearly savings to DWR as a result of refunding each of the Series Q, T and U bond issues.

Table 2: Summary of Savings Results
Series AF

	Series Q Savings	Series T Savings	Series U Savings	Total Savings
12/1/2009	\$332,561.61	\$1,017,201.08	\$320,005.39	\$1,669,768.08
12/1/2010	456,680.00	1,441,531.25	455,336.25	2,353,547.50
12/1/2011	476,680.00	1,441,231.25	457,496.25	2,375,407.50
12/1/2012	473,680.00	1,445,431.25	457,665.00	2,376,776.25
12/1/2013	471,923.75		453,940.00	925,863.75
12/1/2014	476,186.25		457,215.00	933,401.25
12/1/2015	476,023.75		454,815.00	930,838.75
12/1/2016	474,223.75		453,133.75	927,357.50
12/1/2017	472,936.25		453,165.00	926,101.25
12/1/2018	473,548.75		458,271.25	931,820.00
12/1/2019	472,355.00		458,215.00	930,570.00
12/1/2020	475,280.00		453,415.00	928,695.00
12/1/2021	472,448.75		453,765.00	926,213.75
12/1/2022	474,011.25		455,215.00	929,226.25
12/1/2023	473,055.00		456,733.75	929,788.75
12/1/2024	472,855.00		456,640.00	929,495.00
12/1/2025	473,500.00		455,450.00	928,950.00
12/1/2026	472,443.75		456,075.00	928,518.75
12/1/2027			457,575.00	457,575.00
12/1/2028			458,075.00	458,075.00
12/1/2029			457,575.00	457,575.00
Total	\$8,370,392.86	\$5,345,394.83	\$9,439,776.64	\$23,155,564.33

Total Net Present Value Savings

\$ 15,862,427.52

If you have any questions, please contact Perla Netto-Brown, Chief of DWR's Division of Fiscal Services at (916) 653-9836.



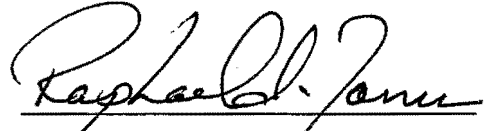
NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 09-06

DATE: APR 15 2009

SUBJECT: 2009 State Water Project
Allocation Increase

FROM:


Deputy Director, Department of Water Resources

The Department of Water Resources (DWR) is increasing the allocation of 2009 State Water Project (SWP) water for long-term contractors from 833,275 acre-feet to 1,249,913 acre-feet. Based on recent water precipitation and current water supply conditions, SWP supplies are projected to meet 30 percent of most SWP Contractors' 2009 requested Table A amounts, which total 4,166,376 acre-feet. Attached is the revised 2009 SWP allocation table.

DWR's new approval considered several factors, including existing storage in SWP conservation reservoirs, SWP operational constraints, including the conditions of the recent Biological Opinion for Delta smelt, and 2009 contractor demands. DWR may revise allocations if warranted by the year's developing hydrologic and water supply conditions.

If you have any questions or need additional information, please contact Robert Cooke, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313.

Attachment

**2009 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)**

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT INITIAL REQUEST APPROVED (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	8,250	30%
Plumas County FC&WCD	2,090	2,090	627	30%
City of Yuba City	9,600	9,600	2,880	30%
Subtotal	39,190	39,190	11,757	
<u>NORTH BAY</u>				
Napa County FC&WCD	23,525	23,525	7,057	30%
Solano County WA	47,456	47,456	14,237	30%
Subtotal	70,981	70,981	21,294	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	80,619	80,619	24,186	30%
Alameda County WD	42,000	42,000	12,600	30%
Santa Clara Valley WD	100,000	100,000	30,000	30%
Subtotal	222,619	222,619	66,786	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	1,710	30%
County of Kings	9,305	9,305	2,791	30%
Dudley Ridge WD	57,343	57,343	17,203	30%
Empire West Side ID	3,000	3,000	900	30%
Kern County WA	998,730	998,730	299,619	30%
Tulare Lake Basin WSD	95,922	95,922	28,777	30%
Subtotal	1,170,000	1,170,000	351,000	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	7,500	30%
Santa Barbara County FC&WCD	45,486	45,486	13,646	30%
Subtotal	70,486	70,486	21,146	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	141,400	141,400	42,420	30%
Castaic Lake WA	95,200	95,200	28,560	30%
Coachella Valley WD	121,100	121,100	36,330	30%
Crestline-Lake Arrowhead WA	5,800	5,800	1,740	30%
Desert WA	50,000	50,000	15,000	30%
Littlerock Creek ID	2,300	2,300	690	30%
Mojave WA	75,800	75,800	22,740	30%
Metropolitan WDSC	1,911,500	1,911,500	573,450	30%
Palmdale WD	21,300	21,300	6,390	30%
San Bernardino Valley MWD	102,600	102,600	30,780	30%
San Gabriel Valley MWD	28,800	28,800	8,640	30%
San Geronio Pass WA	17,300	17,300	5,190	30%
Ventura County FCD	20,000	20,000	6,000	30%
Subtotal	2,593,100	2,593,100	777,930	
TOTAL	4,166,376	4,166,376	1,249,913	



NOTICE TO STATE WATER PROJECT CONTRACTORS

Number: 09-07

Date: MAY 20 2009

Subject: 2009 State Water Project Allocation Increase to 40 Percent

From: Raphael A. Torres 
Deputy Director, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources (DWR) is increasing the allocation of 2009 State Water Project (SWP) water for long-term contractors from 1,249,913 acre-feet to 1,666,550 acre-feet. Based on recent precipitation and current water supply conditions, SWP supplies are projected to meet 40 percent of most SWP Contractors' 2009 requested Table A amounts, which total 4,166,376 acre-feet. Attached is the revised 2009 SWP allocation table.

DWR's new approval considered several factors, including existing storage in SWP conservation reservoirs, SWP operational constraints, including the conditions of the recent Biological Opinion for Delta smelt, and 2009 contractor demands. DWR may revise allocations if warranted by the year's developing hydrologic and water supply conditions.

If you have any questions or need additional information, please contact Robert Cooke, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313.

Attachment

**2009 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)**

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT INITIAL REQUEST APPROVED (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	11,000	40%
Plumas County FC&WCD	2,090	2,090	836	40%
City of Yuba City	9,600	9,600	3,840	40%
Subtotal	39,190	39,190	15,676	
<u>NORTH BAY</u>				
Napa County FC&WCD	23,525	23,525	9,410	40%
Solano County WA	47,456	47,456	18,982	40%
Subtotal	70,981	70,981	28,392	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	80,619	80,619	32,248	40%
Alameda County WD	42,000	42,000	16,800	40%
Santa Clara Valley WD	100,000	100,000	40,000	40%
Subtotal	222,619	222,619	89,048	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	2,280	40%
County of Kings	9,305	9,305	3,722	40%
Dudley Ridge WD	57,343	57,343	22,937	40%
Empire West Side ID	3,000	3,000	1,200	40%
Kern County WA	998,730	998,730	399,492	40%
Tulare Lake Basin WSD	95,922	95,922	38,369	40%
Subtotal	1,170,000	1,170,000	468,000	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	10,000	40%
Santa Barbara County FC&WCD	45,486	45,486	18,194	40%
Subtotal	70,486	70,486	28,194	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	141,400	141,400	56,560	40%
Castaic Lake WA	95,200	95,200	38,080	40%
Coachella Valley WD	121,100	121,100	48,440	40%
Crestline-Lake Arrowhead WA	5,800	5,800	2,320	40%
Desert WA	50,000	50,000	20,000	40%
Littlerock Creek ID	2,300	2,300	920	40%
Mojave WA	75,800	75,800	30,320	40%
Metropolitan WDSC	1,911,500	1,911,500	764,600	40%
Palmdale WD	21,300	21,300	8,520	40%
San Bernardino Valley MWD	102,600	102,600	41,040	40%
San Gabriel Valley MWD	28,800	28,800	11,520	40%
San Geronio Pass WA	17,300	17,300	6,920	40%
Ventura County FCD	20,000	20,000	8,000	40%
Subtotal	2,593,100	2,593,100	1,037,240	
TOTAL	4,166,376	4,166,376	1,666,550	

Notice to SWP Contractors

09-08

Not published

**NOTICE TO STATE WATER PROJECT CONTRACTORS****Number:** 09-09**Date:**

NOV 30 2009

Subject: 2010 State Water Project Initial Allocation**From:** Raphael A. Torres 
Deputy Director, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources (DWR) is initially approving 208,579 acre-feet of Table A water for long-term State Water Project (SWP) contractors in 2010. SWP supplies are projected to meet 5 percent of SWP contractors' requests for Table A water. Attached is the initial 2010 SWP allocation table.

This allocation is made consistent with the long-term water supply contracts and public policy. DWR considered several factors, including existing storage in SWP conservation reservoirs, SWP operational constraints, including the conditions of the recent Biological Opinions for Delta smelt and salmonids, and 2010 contractor demands. DWR may revise allocations if warranted by the year's developing hydrologic and water supply conditions.

Hydrologic conditions this year resulted in a "Dry" water year in both the Sacramento and San Joaquin regions. This is the third consecutive year when hydrologic conditions in both the Sacramento and San Joaquin regions were "Dry" or "Critically Dry." Consequently, project storage conditions going into the 2010 water year are far below average. The SWP contractors' Table A for 2010 totals 4,171,996 million acre-feet, of which 4,171,996 million acre-feet were requested.

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

If you have any questions or need additional information, please contact Robert Cooke, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313.

Attachment

**2010 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)**

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT INITIAL REQUEST APPROVED (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	1,375	5%
Plumas County FC&WCD	2,160	2,160	108	5%
City of Yuba City	9,600	9,600	480	5%
Subtotal	39,260	39,260	1,963	
<u>NORTH BAY</u>				
Napa County FC&WCD	29,025	29,025	1,451	5%
Solano County WA	47,506	47,506	2,375	5%
Subtotal	76,531	76,531	3,826	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	80,619	80,619	4,031	5%
Alameda County WD	42,000	42,000	2,100	5%
Santa Clara Valley WD	100,000	100,000	5,000	5%
Subtotal	222,619	222,619	11,131	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	285	5%
County of Kings	9,305	9,305	465	5%
Dudley Ridge WD	50,343	50,343	2,517	5%
Empire West Side ID	3,000	3,000	150	5%
Kern County WA	982,730	982,730	49,136	5%
Tulare Lake Basin WSD	88,922	88,922	4,446	5%
Subtotal	1,140,000	1,140,000	56,999	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	1,250	5%
Santa Barbara County FC&WCD	45,486	45,486	2,274	5%
Subtotal	70,486	70,486	3,524	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	141,400	141,400	7,070	5%
Castaic Lake WA	95,200	95,200	4,760	5%
Coachella Valley WD	138,350	138,350	6,917	5%
Crestline-Lake Arrowhead WA	5,800	5,800	290	5%
Desert WA	55,750	55,750	2,787	5%
Littlerock Creek ID	2,300	2,300	115	5%
Mojave WA	82,800	82,800	4,140	5%
Metropolitan WDSC	1,911,500	1,911,500	95,575	5%
Palmdale WD	21,300	21,300	1,065	5%
San Bernardino Valley MWD	102,600	102,600	5,130	5%
San Gabriel Valley MWD	28,800	28,800	1,440	5%
San Geronio Pass WA	17,300	17,300	865	5%
Ventura County FCD	20,000	20,000	1,000	5%
Subtotal	2,623,100	2,623,100	131,154	
TOTAL	4,171,996	4,171,996	208,597	

**NOTICE TO STATE WATER PROJECT CONTRACTORS****Number:** 09-10**Date:** DEC 14 2009**Subject:** 2010 Article 21 Water Program**From:** Raphael A. Torres
Deputy Director, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources (DWR) will administer a program during 2010 in accordance with Article 21 of the long-term Water Supply Contracts. The 2010 Article 21 Water Program (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 San Luis Reservoir, it is uncertain whether Article 21 water may become available south of the Sacramento-San Joaquin Delta during 2010. Should Article 21 water become available in 2010, the 2010 Program will be administered similarly to 2007, the last year Article 21 water was made available south of the Sacramento-San Joaquin Delta; however, the program will be administered with minor modifications to facilitate communication of Article 21 availability and any related carryover evacuation accounting. The Program participants have the responsibility to follow the intent of the Article 21 contract criteria and to not defer previously scheduled Table A deliveries for later in the year. Contractors are encouraged to regularly update their delivery schedules for DWR.

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

If you have any questions or need additional information, please contact Mark Risney at (916) 653-8127.

Attachment

ATTACHMENT

2010 ARTICLE 21 WATER PROGRAM

CRITERIA

1. Delivery of Article 21 water shall not impact allocation or delivery of approved Table A water to State Water Project (SWP) contractors in 2010.
2. Water under this Program shall be SWP water that is available to SWP contractors as determined by the Department of Water Resources (DWR). This water is limited to amounts 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 SWP operational requirements, including reservoir storage goals for the current or following years.
3. Delivery to specific contractors may be limited by operational capacity in SWP facilities or as a result of changed operational conditions.
4. The delivery of Article 21 water is not intended in any way to adversely impact any SWP operations. If DWR 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 2010 Table A water to keep the SWP whole.

5. Article 21 water shall be used within the service area of a requesting contractor, for the same reasonable and beneficial uses as Table A water. Article 21 water may be delivered outside the service area of a participating contractor for storage so long as it is later returned for use in the service area. A separate written agreement will be required for delivery outside of a contractor's service area.

6. Article 21 water shall not be stored by DWR in SWP reservoirs for later delivery to a requesting contractor.

7. This Program is not intended to allow a contractor to shift or defer delivery of allocated scheduled 2010 Table A water and substitute delivery of Article 21 water for scheduled 2010 Table A water in a way that would adversely impact allocation or delivery of Table A water to other contractors in 2010 or in any subsequent year, or adversely affect SWP storage of water.

SCHEDULING AND CHARGES

8. DWR will notify the contractors by email when Article 21 water is available. DWR will request that contractors periodically provide updated schedules of carryover, Table A and other non-Article 21 water demands and will use such schedules to determine Article 21 water availability.

9. Participating contractors shall email a schedule indicating Article 21 water requests to the State Water Project Analysis Office to Mark Risney at mrisney@water.ca.gov and Lincoln King at lking@water.ca.gov. The schedule shall include the amount of other SWP supplies requested in addition to Article 21 water.
10. The Program participants have the responsibility to follow the intent of the Article 21 contract criteria and to not defer previously scheduled Table A deliveries for later in the year. As necessary, contractors must update their delivery schedules and submit them to DWR.
11. Daily allocations of Article 21 will be provided to contractors, preferably on a weekly basis. DWR may discontinue availability of Article 21 water upon short notice.
12. If necessary, the supply of Article 21 water will be allocated among requesting contractors in proportion to the 2010 Table A amounts of those contractors.
13. Contractors shall consider their deliveries of Table A water, carryover water, and other water supplies prior to requesting Article 21 water.

14. A contractor taking delivery of Article 21 water may stop or suspend participation in the Program by notifying Mark Risney at (916) 653-8127 or Lincoln King at (916) 653-4389.
15. 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 (OMP&R) component charges, Off-Aqueduct power facility charges, and any incremental OMP&R costs, as determined by DWR.
16. All contractors participating in the Program are responsible for coordinating delivery points and rates through their normal contacts at the various DWR field divisions.
17. The 2010 Article 21 Water Program shall not be a precedent for future programs.

In order to participate in the 2010 Article 21 Water Program, please sign below in the space provided and return all three pages of this attachment 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

AGENCY CONTACT:

Authorized Representative

Name

Email

Telephone