



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-01

DATE: January 22, 1999

SUBJECT: 1999 Turn-Back Water
Pool Program

FROM: Stephen J. Kashiwada
Acting Director, Department of Water Resources

The Department of Water Resources is offering the opportunity to sell allocated 1999 entitlement water through two turn-back water pools to interested contractors who have signed the Monterey Amendment. There will be a Pool A and Pool B. The procedures for administering the program are described in Article 56 of the long-term Water Supply Contracts. A participating State Water Project contractor may sell allocated 1999 entitlement water that it will not use within its service area, provided that (1) the contractor has not elected to store project water outside its service area in 1999, and (2) the contractor has not elected to carry over entitlement water.

To participate in the program either as a seller or buyer, a SWP contractor must agree to the terms and conditions in this notice and attachment, sign and date the attachment, and mail the attachment to Donald R. Long, Chief, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. Signed and dated attachments must be received by February 15, 1998. Last-minute submittals should be faxed to (916) 653-9628.

A graphical timeline of the program is included for your reference. If you have any questions about this program, please contact Don Long at (916) 653-4313 or Tom Hanson at (916) 653-0190.

Attachments

1999 Turn-Back Water Pool Program

Criteria

1. The program is available to contractors that have signed the Monterey Amendment. The 1999 turn-back pools are subject to Article 56 of the long-term Water Supply Contracts.
2. Sales and purchases of turn-back water by participating contractors shall not affect the allocation of entitlement water to contractors in 1999.
3. The Department may limit or delay delivery of turn-back water due to limits on operational capacity in State Water Project facilities or due to changed operational conditions.
4. Delivery priority of turn-back water will be the same as entitlement water (Priority 1) as described in Article 12(f) of the long-term Water Supply Contract, so long as the total amount of project water does not exceed the contractor's 1999 Table A entitlement. Delivery priority of turn-back water when the total amount of project water exceeds the contractor's Table A entitlement will be Priority 6.
5. Turn-back water may be stored outside of the purchasing contractor's service area for later use in 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 must be consistent with water rights permits for the State Water Project.

Scheduling and Charges

6. A contractor offering to sell turn-back water in Pool A must notify the Department in writing on or before February 15 (see attached letter for acceptable notification format). Since February 15 falls on a holiday, offers for selling turn-back water can be faxed to the State Water Project Analysis Office at (916) 653-9628. The Department will notify all participating contractors of the availability of water through Pool A on or before February 19.
7. A participating contractor willing to buy turn-back water through Pool A must submit its written request to the Department on or before March 1. Requests for purchasing turn-back water may be faxed to SWPAO at (916) 653-9628. The price for such water will be \$11.79 for each acre-foot of water purchased (50 percent of the Delta Water Rate).
8. All sales and purchases through Pool A are irrevocable even if the Department reduces entitlement allocations on or after February 15.

9. The Department will notify all participating contractors of Pool A sales on or before March 5. For any water that remains unsold in Pool A, the offering contractor may amend its offer to sell its share of unsold water in writing no later than March 15.
10. A contractor offering to sell turn-back water in Pool B must notify the Department in writing on or before March 15 (see attached letter for acceptable notification format). Offers for selling turn-back water may be faxed to SWPAO at (916) 653-9628. Pool B water will consist of turn-back water offered after February 15 and on or before March 15, and any unsold water from Pool A which was not canceled by March 15. The Department will notify all participating contractors of the availability of water through Pool B on or before March 19.
11. A participating contractor willing to buy turn-back water through Pool B must submit its written request to the Department on or before April 1. The price for such water will be \$5.90 for each acre-foot of water purchased (25 percent of the Delta Water Rate).
12. If the Department reduces or increases entitlement allocations between March 15 and April 1, the amount of water available through Pool B will be reduced or increased by the amount of the seller's change in approved allocations.
13. The Department will notify all participating contractors of Pool B sales on or before April 5. 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 no later than April 14.
14. If the Department reduces entitlement allocations between April 1 and April 15, and there is no unsold Pool B water remaining on April 15, the Pool B sales for each seller will be reduced by the same amount which the seller's approved allocations are reduced and the Department will reallocate the sales and purchases of Pool B and notify all participating contractors by April 20.
15. No reallocation of sales or purchases will be done after April 15.
16. The Department shall decide on April 15 whether to purchase any portion of unsold Pool B water remaining on that date.
17. A contractor selling or purchasing turn-back water will be required to enter into written agreements with the Department.

18. A contractor purchasing turn-back water should submit its revised delivery request to the Department as early as possible after being allocated the turn-back water.
19. The purchasing contractor shall pay the Department the 1999 Transportation Variable Operations, Maintenance, Power, and Replacement Component charges and the Off-Aqueduct Power Facilities Charges for turn-back pool water delivered, as described in Article 56(d)(7).
20. The 1999 turn-back water pool program shall not be a precedent for future programs.

In order to sell or purchase turn-back water under Article 56 of the contractor's long-term Water Supply Contract, please sign below in the space provided and return this attachment to the State Water Project Analysis Office. A contractor's signature indicates acceptance of the criteria, procedures, and charges for this program.

ACCEPTED:

AGENCY:

DATE:

AUTHORIZED REPRESENTATIVE:

Attachment A
(Written Notice Example)

DATE

Mr. Donald R. Long, Chief
State Water Project Analysis Office
Department of Water Resources
Post Office Box 942836
Sacramento, California 94236-0001

Dear Mr. Long:

Enclosed is the signed 1999 Turn-Back Water Pool Program attachment to the State Water Project Contractor Notice No. 99-01, indicating the Agency's acceptance of the criteria, procedures, and charges for this program.

For Pool A, the Agency is offering to sell _____ acre-feet. For Pool B, the Agency is offering to sell the portion of its 1999 entitlement allocation in excess of _____ acre-feet, minus what the Agency sells in Pool A.

If you have any questions, please call _____ at _____.

Sincerely,

Name
Title

Enclosure

1999 TURN BACK POOL SCHEDULE

POOL "A"

FEB 15

MAR 1

MAR 15

APR 1

APR 15

SELLERS'
OFFER
ENDS

BUYERS'
PURCHASE
ALLOCATED

SELLERS'
OFFER ENDS
(May be reduced or
increased if
entitlement allocations
are changed
Mar 15 - Apr 1)

BUYERS'
PURCHASE ALLOCATED
(May be reduced if
entitlement allocations
are decreased
Apr 1 - Apr 15)

DWR
DECIDES
WHETHER
TO BUY
REMAINING
POOL WATER

SELLERS
CANNOT
WITHDRAW

SELLERS
CAN
WITHDRAW
UNSOLD
WATER OR
OFFER MORE
FOR SALE
IN POOL "B"

SELLERS
CANNOT
WITHDRAW

SELLERS
CAN
WITHDRAW
UNSOLD
WATER

UNSOLD
WATER
OFFERED
TO
NON-SWP
CONTRACTORS



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-02

DATE: FEB 05 1999

SUBJECT: December 1998 Water
Contract AmendmentFROM: Stephen J. Kashiwada
Acting Director, Department of Water Resources

This is to notify you of a change in procedure for processing the contract amendment that was sent to you for your consideration in December 1998.

The Department of Water Resources has determined that it is best to proceed with an Initial Study to evaluate the potential for environmental impacts arising out of the implementation of the contract amendment. The Department will act as lead agency for the project, and each State Water Project contractor will be a responsible agency under the California Environmental Quality Act. The contract amendment will not be signed by the Department until such environmental review is completed.

CEQA requires that responsible agencies consider the environmental documentation prepared by the lead agency prior to making a decision on the project. Accordingly, the Department will consult with and send copies of environmental documentation to the contractors, and the contractors should incorporate their review of the CEQA documents in their approval process as required by CEQA Guidelines Section 15096(f). Those contractors who already approved the contract amendment will be requested to reaffirm their approval after reviewing the CEQA documents to be prepared by the Department.

If there are any questions, please call Donald R. Long, Chief, State Water Project Analysis Office, at (916) 653-4313 or Peggy Bernardy of the Department's Office of the Chief Counsel at (916) 653-7084.



STATE OF CALIFORNIA

• THE RESOURCES AGENCY

• DEPARTMENT OF WATER RESOURCES

NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-03

DATE: MAR 04 1999

SUBJECT: Criteria for Bulletin 132-99

FROM:

Donald M. Long
Director, Department of Water Resources

Attached for your information are copies of "Criteria for Bulletin 132-99 Project Operation Studies" and "Interest and Escalation Rates for Preparing Bulletin 132-99."

These criteria are being used by the Department of Water Resources to prepare information for Bulletin 132-99, "Management of the California State Water Project" and to determine Water Contractors' Statements of Charges for the year 2000.

If you have any questions, please contact Donald Long, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313 or Dave Knock, Chief of the Financial Analysis Section, at (916) 653-1894.

Attachment

CRITERIA FOR BULLETIN 132-99
PROJECT OPERATIONS STUDIES

1. **Water Deliveries**. Water demands for the water operation studies will be based on the short-range, five-year (1999-2003) requests submitted by the contractors in October 1998, and the long-range (2004-2035) requests submitted by the water contractors in October 1997.
2. **Water Supply**. The water and power studies will reflect compliance with 1995 modification of SWRCB Decision 1485 (June 8, 1995, order 95-6), long-term NMFS Winter Run Biological Opinion as amended on May 17, 1995, and the long-term USFWS Delta Smelt Biological Opinion dated March 6, 1995. The water supply assumed for water and power operation studies will be as follows:
 - (a) 1999—The initial operations study for 1999 will assume hydrology sufficient to deliver 3.41 MAF (includes -0.13 MAF of "sellers water" to be stored in San Luis Reservoir and made available for later delivery to buyers and provides for 0.23 MAF of 1999-2000 extended carryover water). 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 1999 water deliveries and water and power operations studies will be reviewed and finalized in March 1999 when the water supply forecast based on March 1, 1999 snow surveys becomes available.
 - (b) 2000—State Water Project operations projected for 2000 are the basis for the 2000 Statements of Charges. The study will assume hydrology sufficient to deliver 3.60 MAF (contractor's projected entitlement requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
 - (c) 2001—The 2001 studies will assume hydrology sufficient to deliver 3.60 MAF (contractor's projected entitlement requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
 - (d) 2002—Assume hydrology sufficient to deliver contractor's projected entitlement requests of 3.37 MAF.
 - (e) 2003—Assume hydrology sufficient to deliver contractor's projected entitlement requests of 3.53 MAF.
 - (f) 2004—and thereafter—Assume hydrology sufficient to deliver contractor's projected entitlement requests of 3.68 MAF.

3. **Future Project Facilities.** The schedule for initial operation of future project facilities to be used when preparing information for Bulletin 132-99 is shown in the table on page 4. Future facilities include Phase 1 of the proposed East Branch Extension to the San Gorgonio Pass Water Agency service area.

4. **Water Supply Augmentation.**

- (a) **Delta Pumps.** The four new units became operational in early 1992. The total capacity of the Banks Pumping Plant increased from 6,400 cubic feet per second to 10,300 cfs; however, actual daily pumping volumes will be limited to the requirements specified in the U.S. Army Corps of Engineers permit (Public Notice 5820A, amended October 1981).
- (b) **Interim South Delta Facilities.** This program is one of several Delta programs to address corrective action for the Delta. Projected costs of the preferred alternative for the Interim South Delta Program will be included in the 2000 Delta Water Rate. Facilities included in this program are:
- Construction of four control structures. Three barriers are proposed in south Delta channels to provide for control of water levels and circulation in the south Delta. The fourth barrier will provide protection for salmon migrating along the San Joaquin River.
 - Construction of a new intake structure on the northeast corner of the existing Clifton Court Forebay, and some selected channel dredging in a reach of Old River extending from north of the additional intake to Woodward Canal.
 - Under the Interim South Delta Program, the Department of Water Resources will acquire a U.S. Army Corps of Engineers permit under Section 10 of the Rivers and Harbors Act to enable increased pumping at the Banks Delta Pumping Plant up to the full 10,300 cfs capacity. The additional capacity will increase SWP delivery capability and operation flexibility by enabling increased pumping at times when impacts to fish are less.
- (c) **Interim North Delta Facilities.** The Interim North Delta Facilities will not be assumed operational in the near future and are unscheduled at this time. The long-term CALFED Bay-Delta resolution process is expected to include a review of all options for fixing the Delta. In the meantime, the Department is suspending independent planning for Interim North Delta Facilities, which included channel dredging, levee improvements,

testing of fish protective measures, wildlife and fisheries habitat enhancement, and enlargement of the Delta Cross Channel.

- (d) 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 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 15,073 acre-feet under the recovery agreement with KCWA.
 - (e) Other Project Yield. For purposes of preparing water and power studies for future years, it will be assumed that the Project will deliver full entitlement requests. Additional water supply needed to meet future delivery of requested entitlement water will be assumed to be available from development of unspecified future conservation facilities.
5. Power Operations. Annual energy prices in the western states' power markets have historically been highest during the on-peak hours and summer months. This pattern is currently anticipated to continue into 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 132-99, forecasted SWP power operations through the study period will be based on existing power sources. Additional capacity and energy resources needed to meet power requirements will be from unspecified purchases.

In 1999 and after, projected energy deficits will be met with spot market energy purchases. The price for spot market energy for the next three years is projected to be between 21 and 30 mills per kilowatt-hour. By March 1999, the Department will conduct an energy study that will forecast annual on-peak and off-peak mill rates for 1999 and after. The mill rate forecasts will be used to determine power cost or revenue projections for energy purchased or sold on the open market.

FUTURE PROJECT FACILITIES		Dates for Initial Operation	
CALIFORNIA AQUEDUCT		Bulletin 132-98	Bulletin 132-99
	San Luis Canal Enlargement (approx. 1,000 cfs)	Not Scheduled	Not Scheduled
EAST BRANCH			
	East Branch Enlargement - Stage 2 Pearblossom Pumping Plant Units 10 & 11 (375 cfs)	Not Scheduled *	Not Scheduled *
	Alamo Powerplant - Unit 2 (1,506 cfs)	Not Scheduled *	Not Scheduled *
WEST BRANCH	East Branch Extension - Phase I	December 1999	March 2001
	West Branch Enlargement Peace Valley Pipeline - second barrel	Not Scheduled	Not Scheduled
	Warne Powerplant - additional units	Not Scheduled	Not Scheduled
	Gorman Creek Bypass Channel Restoration	November 1998	December 1998
	Gorman Creek Channel Modification	October 1998	October 2000
DELTA FACILITIES		Not Scheduled	Not Scheduled
	Interim North Delta Facilities		
	Interim South Delta Facilities		
	Permanent Control Structures Additional Intake - Clifton Court Forebay	June 2005 June 2002	June 2005 June 2002
OTHER			
	Los Banos Grandes Facilities	Not Scheduled	Not Scheduled
	Relocation of Project Operations Control Center	Not Scheduled	Not Scheduled
	Corporate Yard	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 132-99 because of uncertainty of scheduling.

TABLE 1
INTEREST RATES TO BE USED IN PREPARING DATA AND
INFORMATION FOR BULLETIN 132-99
WATER CONTRACTORS' STATEMENTS OF CHARGES FOR 2000, AND
DEPARTMENT FINANCIAL ANALYSIS STUDIES

<u>Item</u>	<u>Interest Rate⁽¹</u> <u>Per Year</u>
1. Interest rates on future general obligation "Offset" bonds (If assumed sold) ⁽²	5.5% (5.5%)
2. Interest Rate for Water System Revenue Bond sale ⁽³	6.0% (6.0%)
3. Project Interest Rate for determining Statements of Charges for 2000	4.615% (4.615%)
4. Interest rate on future short-term investment of project funds ⁽⁴	6.5% (6.5%)

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- 1) For the purposes of Department studies, these rates are to be used as the effective rates of interest. Figures in parentheses are Bulletin 132-98 assumptions.
- 2) "Offset bonds are assumed to be repaid within 35 years of sale or shorter with maturities commencing in the year following the date of sale and with equal annual bond service for the principal repayment period.
- 3) All future revenue bonds are assumed to be repaid within 35 years of sale date or by the end of the Project repayment period (2035), whichever is shorter, with maturities commencing in the first year after the date of bond sale and with equal annual bond service for the principal repayment period.
- 4) Based on the expected rate of return for funds invested in the State's Surplus Money Investment Fund.

TABLE 2
BULLETIN 132-99
COST ESCALATION RATES
FOR SWP FACILITIES
TO BE USED FOR FINANCIAL ANALYSIS STUDIES

<u>Item</u>	<u>Percent Increase Per Year^{1, 2}</u>			
	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002-2035</u>
<u>Capital Costs</u>				
State Operations (Salaries and Benefits)	5 (3)	5 (3)	5 (3)	5 (3)
Construction, Direct Pay	3 (3)	3 (3)	4 (3)	4 (3)
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 Cost³</u>				
State Operations (Salaries and Benefits)	5 (3)	5 (3)	5 (3)	5 (3)

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- 1) Statements of Charges for the year 2000 and Bulletin 132-99 will be based on unescalated January 1, 1999 capital costs.
 - 2) All figures in parentheses were Bulletin 132-98 assumptions.
 - 3) Operation and Maintenance costs in the Statements of Charges for the year 2000 and in Bulletin 132-99 are to be escalated through 2001 and held at that level for the remainder of the Project repayment period. For specific Project studies requiring escalated costs, continue the 5 percent rate for 2002-2035.



NOTICE TO

STATE WATER PROJECT CONTRACTORS

NUMBER: 99-04

DATE: February 10, 1998

SUBJECT: 1999 Entitlement
Allocation Increase

FROM: Stephen J. Kashiwada
Acting Director, Department of Water Resources

The Department of Water Resources is increasing the 1999 allocation of entitlement water for long-term State Water Project contractors from 2.24 million acre-feet to 2.44 million acre-feet. Based on water in storage and updated snow survey data as of February 8, SWP supplies are projected to meet 60 percent of most SWP contractors' 1999 Table A entitlements up to their requested amount. SWP contractors' Table A entitlements total 4.12 MAF, of which 3.42 MAF was requested. A table reflecting the new 1999 SWP allocation of entitlement water is enclosed.

The Department is allocating water to users as soon as feasible to help contractors plan their operations for 1999. The Department's new approval considered several factors, including existing storage in SWP conservation reservoirs, a conservative projection that hydrology and water supply will be very dry for the remainder of the 1999 calendar year, SWP operational constraints, and 1999 contractor demands.

Following the initial December 1, 1998 allocation, the weather pattern was dry well into January. The recent storms which occurred up to February 8 are reflected in this allocation update. Major storms since February 8 have probably improved SWP water supply projections. These storms will be reflected in the Department's next update which is planned for early March. The Department will continue to evaluate the year's hydrologic and water supply conditions and may revise allocations when appropriate.

If you have any questions, please contact Donald R. Long, Chief of DWR's State Water Project Analysis Office at (916) 653-4313, or you may call Tom Hanson of his staff at (916) 653-0190.

Enclosure

**1999 STATE WATER PROJECT 60% ALLOCATION
(ACRE-FEET)**

S.W.P. CONTRACTORS	1999 ENTITLEMENT			
	TABLE-A (1)	INITIAL REQUEST ENT. (2)	APPROVED 1999 ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
FEATHER RIVER:				
County of Butte	2,890	2,890	1,734	60%
Plumas County FC&WCD	1,450	363	363 a	100%
City of Yuba City	9,600	9,600	5,760	60%
Subtotal	13,940	12,853	7,857	
NORTH BAY:				
Napa County FC&WCD	15,850	15,850	9,510	60%
Solano County WA	39,170	39,170	23,502	60%
Subtotal	55,020	55,020	33,012	
SOUTH BAY:				
Alameda County FC&WCD, Zone 7	46,000	46,000	27,600	60%
Alameda County WD	42,000	42,000	25,200	60%
Santa Clara Valley WD	100,000	100,000	60,000	60%
Subtotal	188,000	188,000	112,800	
SAN JOAQUIN VALLEY:				
Oak Flat WD	5,700	5,700	3,420	60%
County of Kings	4,000	4,000	2,400	60%
Castaic Lake WA	12,700	12,700	7,620	60%
Dudley Ridge WD	53,370 b	53,370	32,022	60%
Empire West Side ID	3,000	3,000	880 a	29%
Kern County WA	1,087,730 b	1,087,730	652,638	60%
Tulare Lake Basin WSD	118,500	118,500	71,100	60%
Subtotal	1,285,000	1,285,000	770,080	
CENTRAL COASTAL:				
San Luis Obispo County FC&WCD	25,000	25,000	15,000	60%
Santa Barbara County FC&WCD	45,486	45,486	27,292	60%
Subtotal	70,486	70,486	42,292	
SOUTHERN CALIFORNIA:				
Antelope Valley-East Kern WA	138,400	138,400	83,040	60%
Castaic Lake WA	41,500	41,500	24,900	60%
Coachella Valley WD	23,100	23,100	13,860	60%
Crestline-Lake Arrowhead WA	5,800	5,800	3,480	60%
Desert WA	38,100	38,100	22,860	60%
Littlerock Creek ID	2,300	2,300	1,380	60%
Mojave WA	75,800	20,000	20,000	100%
Metropolitan WDSC	2,011,500	1,380,000	1,206,900	87%
Palmdale WD	17,300	17,300	10,380	60%
San Bernardino Valley MWD	102,600	102,600	61,560	60%
San Gabriel Valley MWD	28,800	28,800	17,280	60%
San Gorgonio Pass WA	3,000	0	0	N/A
Ventura County FCD	20,000	10,000	10,000 a	100%
Subtotal	2,508,200	1,807,900	1,475,640	
TOTAL	4,120,646	3,419,259	2,441,680	

a) Monterey amendment not yet signed

b) Reflects total of 70,000 AF reduction in Table-A (Kern County WA and Dudley Ridge WD)



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-05

DATE: March 4, 1999

SUBJECT: 1999 Turn-back Water
Pool A ResultsFROM: Stephen I. Kashimada
Deputy Director, Department of Water Resources

Pool A of the 1999 Turn-back Water Pool Program closed March 1, 1999. Three State Water Project contractors purchased all of the 81,324 acre-feet of water offered through Pool A (see attached table).

Contractors interested in offering water through Pool B must submit their offers to the Department of Water Resources by March 15. Contractors will be notified of the availability of water for sale through Pool B on or before March 19. As stated in Notice 99-01, submittals can be faxed to the State Water Project Analysis Office at (916) 653-9628.

If you have any questions, please contact Donald R. Long, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313, or you may call Teresa Geimer of his staff at (916) 653-4635.

Enclosure

**SWPAO BACKWATER POOL
RESULTS**

S.W.P. CONTRACTORS	POOL A			
	SELLERS OFFER	BUYERS OFFER	AMOUNT PURCHASED BY BUYERS	REMAIN. WATER
FEATHER RIVER: County of Butte Plumas County FC&WCD City of Yuba City	934 4,260			
NORTH BAY: Napa County FC&WCD Solano County WA				
SOUTH BAY: Alameda County FC&WCD,Zone 7 Alameda County WD Santa Clara Valley WD				
SAN JOAQUIN VALLEY: Oak Flat WD County of Kings Castaic Lake WA Dudley Ridge WD Empire West Side ID Kern County WA Tulare Lake Basin WSD		6,000 24,060 60,300	6,000 24,060 51,264	
CENTRAL COASTAL: San Luis Obispo County FC&WCD Santa Barbara County FC&WCD	11,331 4,587			
SOUTHERN CALIFORNIA: Antelope Valley-East Kern WA Castaic Lake WA Coachella Valley WD Crestline-Lake Arrowhead WA Desert WA Littlerock Creek ID Mojave WA Metropolitan WDSC Palmdale WD San Bernardino Valley MWD San Gabriel Valley MWD San Gorgonio Pass WA Ventura County FCD	8,122 4,000 1,530 5,000 41,560			
TOTAL	81,324	90,360	81,324	0



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-06

DATE: March 10, 1999

SUBJECT: 1999 Entitlement
Allocation IncreaseFROM: *Stephen J. Farhiamsa*
Deputy Director, Department of Water Resources

The Department of Water Resources is increasing the 1999 Entitlement Allocation to 3.21 million acre-feet for long-term State Water Project contractors. SWP supplies are now projected to meet 100 percent of all SWP contractors' Table A entitlement requests. A table showing this increased 1999 SWP allocation of entitlement water is enclosed.

DWR is allocating water to users as soon as feasible to help contractors plan their 1999 operations. Prior to determining the increased allocation, DWR considered numerous factors, including existing storage in SWP conservation reservoirs, a conservative projection of hydrology and water supply for the remainder of the 1999 calendar year based on the March 1, 1999 snow survey, SWP operational constraints, and 1999 contractor demands and maximum contractual delivery rates. SWP contractors' Table A for 1999 totals 4.12 million acre-feet of which 3.21 million acre-feet was requested as of March 10, 1999.

If you have any questions, please contact Donald R. Long, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313, or you may call Tom Hanson of his staff at (916) 653-0190.

Enclosure

1999 STATE WATER PROJECT 100% ALLOCATION
(ACRE-FEET)

S.W.P. CONTRACTORS	1999 ENTITLEMENT	
	TABLE-A (1)	APPROVED 1999 ALLOCATION (2)
FEATHER RIVER:		
County of Butte	2,890	2,890
Plumas County FC&WCD	1,450	363
City of Yuba City	9,600	9,600
Subtotal	13,940	12,853
NORTH BAY:		
Napa County FC&WCD	15,850	15,850
Solano County WA	39,170	39,170
Subtotal	55,020	55,020
SOUTH BAY:		
Alameda County FC&WCD, Zone 7	46,000	46,000
Alameda County WD	42,000	42,000
Santa Clara Valley WD	100,000	100,000
Subtotal	188,000	188,000
SAN JOAQUIN VALLEY:		
Oak Flat WD	5,700	5,700
County of Kings	4,000	4,000
Castaic Lake WA	12,700	12,700
Dudley Ridge WD	53,370	53,370
Empire West Side ID	3,000	3,000
Kern County WA	1,087,730	1,087,730
Tulare Lake Basin WSD	118,500	118,500
Subtotal	1,285,000	1,285,000
CENTRAL COASTAL:		
San Luis Obispo County FC&WCD	25,000	25,000
Santa Barbara County FC&WCD	45,486	45,486
Subtotal	70,486	70,486
SOUTHERN CALIFORNIA:		
Antelope Valley-East Kern WA	138,400	138,400
Castaic Lake WA	41,500	41,500
Coachella Valley WD	23,100	23,100
Crestline-Lake Arrowhead WA	5,800	5,800
Desert WA	38,100	38,100
Littlerock Creek ID	2,300	2,300
Mojave WA	75,800	20,000
Metropolitan WDSC	2,011,500	1,180,000
Palmdale WD	17,300	17,300
San Bernardino Valley MWD	102,600	102,600
San Gabriel Valley MWD	28,800	28,800
San Gorgonio Pass WA	3,000	0
Ventura County FCD	20,000	5,000
Subtotal	2,508,200	1,602,900
TOTAL	4,120,646	3,214,259



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-07

DATE: April 6, 1999

SUBJECT: 1999 Turn-back Water
Pool Program ResultsFROM: Stephen J. Tashiro
Deputy Director, Department of Water Resources

The entire 237,904 acre-feet of water offered through Pool A and Pool B of the 1999 Turn-back Water Pool Program was sold to State Water Project contractors. Three contractors purchased 81,324 acre-feet of water offered on February 15 through Pool A, and five contractors purchased all of the 156,580 acre-feet of water offered on March 15 through Pool B. Requests for Pool B water closed April 1, 1999. The attached table shows the offers by seller contractors and the requests and allocation of pool water to buyer contractors.

Seller and buyer contractors are now required to enter into written agreements with the Department of Water Resources. The agreements will be mailed to the appropriate contractors within the month. Contractors selling and purchasing turn-back water should submit their revised delivery requests to the Department as early as possible.

If you have any questions, please call Donald R. Long, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313, or you may call Teresa Geimer of his staff at (916) 653-4635.

Enclosure

**1999 TURN - BACK WATER POOL PROGRAM
RESULTS**

S.W.P. CONTRACTORS	POOL A				POOL B			
	SELLERS' OFFERS	BUYERS' REQUESTS	AMOUNT PURCHASED BY BUYERS	REMAIN. WATER	SELLERS' OFFERS	BUYERS' REQUESTS	AMOUNT PURCHASED BY BUYERS	REMAIN. WATER
FEATHER RIVER: County of Butte Plumas County FC&WCD City of Yuba City	934				1,156			
	4,260				3,840			
NORTH BAY: Napa County FC&WCD Solano County WA					4,650			
SOUTH BAY: Alameda County FC&WCD,Zone 7 Alameda County WD Santa Clara Valley WD								
SAN JOAQUIN VALLEY: Oak Flat WD County of Kings Castaic Lake WA Dudley Ridge WD Empire West Side ID Kern County WA Tulare Lake Basin WSD								
	6,000	6,000			2,000	2,000		
	24,060	24,060			21,300	21,300		
	60,300	51,264			85,900	85,900		
CENTRAL COASTAL: San Luis Obispo County FC&WCD Santa Barbara County FC&WCD	11,331				9,730			
	4,587				9,484			
SOUTHERN CALIFORNIA: Antelope Valley-East Kern WA Castaic Lake WA Coachella Valley WD Crestline-Lake Arrowhead WA Desert WA Littlerock Creek ID Mojave WA Metropolitan WDSC Palmdale WD San Bernardino Valley MWD San Gabriel Valley MWD San Gorgonio Pass WA Ventura County FCD								
	8,122				55,360			
	4,000				18,200			
	1,530				2,320			
	5,000				20,000	20,000		
	41,560				41,040			
					10,800			
TOTAL	81,324	90,360	81,324	0	156,580	184,200	156,580	0



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-08

DATE: NOV 12 1999

SUBJECT: Revised Unit Transportation
Variable OMP&R Charges for 1999FROM: Signed: Stephen Kashiwada
Deputy Director, Department of Water Resources

This is to inform you that the Department of Water Resources is reducing unit Transportation variable Operation, Maintenance, Power & Replacement charges to some contractors for the remaining months of 1999. These unit Transportation variable OMP&R charges, which are defined in Article 26 of the Long-Term Water Supply Contract, are applied to contractors' water deliveries each month to determine water contractors' charges under that billing component. These reduced charges are a result of unexpected revenue received by the Department in 1999 from sale of excess SWP power under the Department's power management program.

The redetermination of variable OMP&R charges is on a contractor-by-contractor basis. Each contractor must pay its share of allocated variable OMP&R costs for the year before its variable charges are discontinued.

A table showing the 1999 water deliveries and charges to each of the four water contractors with remaining charges is attached. These four contractors will continue to be charged for water deliveries at the same rates. If the Department receives revised schedules for these agencies, their charges will be redetermined.

As in past years, the Department will review these water contractor deliveries, charges and payments early in year 2000 to better determine any over or under payments by contractors under this component. The Department will continue to present this information to State Water Contractor representatives at SWC Audit-Finance Committee meetings.

Attachment

Estimate of 1999 Transportation Variable OMP&R Charges for Those Contractors with Remaining Charges

Energy at 5.9659 Mills/kWh

Contractor	Annual SWP Deliveries [acre-feet]	Annual Charges [\$]	Payments for Jan-Aug [\$]	Remaining Charges [2]-[3] [\$]
	[1]	[2]	[3]	[4]
Zone 7	47,793	248,711	211,777	36,934
ACWD	43,965	249,794	194,912	54,882
SCVWD	79,125	445,236	365,807	79,429
Littlerock	906	17,255	12,200	5,055
Total	171,789	960,996	784,696	176,300

State Water Project Analysis Office
November 4, 1999



STATE OF CALIFORNIA

• THE RESOURCES AGENCY

• DEPARTMENT OF WATER RESOURCES

NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-09

DATE: NOV 18 1999

SUBJECT: Long-Term Water Supply Contracts

FROM: Signed: Frank Conti
for Deputy Director, Department of Water Resources

In recent months, the Department of Water Resources and the State Water Contractors' Contract Issues Committee have been discussing financial issues dealing with the Department's administration of the long-term water supply contracts. Both groups feel these issues need to be better defined.

On December 9 and 10, representatives from both the Department and the SWC will meet to negotiate and develop principles addressing the issues. Both groups anticipate that these principles will lead to an amendment to the long-term water supply contracts.

Generally, the issues will be limited to the following:

1. The financing and repayment of extraordinary operation and maintenance costs and water purchases made by the Department.
2. A change in the method to repay the minimum operations, maintenance, power, and replacement component of the Delta Water Charge.
3. A method to accommodate requests for transitional sales under Article 53 of the long-term water supply contracts.
4. Expansion of the definition of capital costs to provide revenue bond financing for items such as computer business systems, costs of renewal of Federal Energy Regulatory Commission licences and related capital improvements, Arroyo Pasajero flood control works, and future State Water Project facilities.

The SWC have agreed upon a negotiating team to represent the 27 long-term water supply contractors which are members of their organization. The two water contractors, Butte County and Plumas County, which are not members of the SWC are invited to attend. The meeting is scheduled to begin at 8 a.m. at the Napa Valley Marriott, 3425 Solano Avenue, Napa, California 94558.

If you have any questions, please contact Donald R. Long, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313.



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-10

DATE: NOV 30 1999

SUBJECT: Initial Entitlement
Allocation for 2000

FROM: Signed: Thomas Hannigan
Director, Department of Water Resources

The Department of Water Resources is initially approving 2.06 million acre-feet of entitlement water for long-term State Water Project contractors in 2000. SWP supplies are projected to meet at least 50 percent of most SWP contractors' Table A entitlement up to their requested amount. For SWP contractors who have signed the Monterey Amendment, this allocation is based on post-Monterey conditions. For the two SWP contractors who have not signed the Monterey Amendment, this allocation is based on pre-Monterey conditions. A table showing the initial 2000 SWP allocations of entitlement water is enclosed.

In making this allocation, the Department considered existing storage in SWP conservation reservoirs, a conservative projection of hydrology and water supply during the remainder of the 1999-2000 water year, SWP operational constraints, and 2000 contractor demands. SWP contractors' Table A for 2000 totals 4.12 MAF, of which 3.62 MAF was requested. As the year's hydrologic and water supply conditions develop, a revised allocation may be made.

In December, the Department will send an approved monthly water delivery schedule, based on this initial allocation, to each long-term contractor. The monthly distribution reflected in these schedules will be in proportion to the "50 percent" delivery schedule request submitted to the Department by each contractor earlier this year.

If you have any questions, please contact Donald R. Long, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313 or Tom Hanson of his staff at (916) 653-0190.

Enclosure

**2000 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)**

S.W.P. CONTRACTORS	2000 ENTITLEMENT			
	TABLE-A (1)	INITIAL REQUEST ENT. (2)	APPROVED 2000 ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
FEATHER RIVER:				
County of Butte	2,890	2,890	1,445	50%
Plumas County FC&WCD	1,510	1,510	955 a)	63%
City of Yuba City	9,600	9,600	4,800	50%
Subtotal	14,000	14,000	7,200	
NORTH BAY:				
Napa County FC&WCD	16,325	16,325	8,163	50%
Solano County WA	39,620	39,620	19,810	50%
Subtotal	55,945	55,945	27,974	
SOUTH BAY:				
Alameda County FC&WCD, Zone 7	46,000	46,000	23,000	50%
Alameda County WD	42,000	42,000	21,000	50%
Santa Clara Valley WD	100,000	100,000	50,000	50%
Subtotal	188,000	188,000	94,001	
SAN JOAQUIN VALLEY:				
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	53,370	53,370	26,685	50%
Empire West Side ID	3,000	3,000	398 a)	13%
Kern County WA	1,046,730	1,046,730	523,365	50%
Tulare Lake Basin WSD	118,500	118,500	59,250	50%
Subtotal	1,244,000	1,244,000	620,898	
CENTRAL COASTAL:				
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	35,242	
SOUTHERN CALIFORNIA:				
Antelope Valley-East Kern WA	138,400	138,400	69,200	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	1,507,136	1,005,750	67%
Palmdale WD	17,300	17,300	8,650	50%
San Bernardino Valley MWD	102,600	102,600	51,300	50%
San Gabriel Valley MWD	28,800	28,800	14,400	50%
San Gorgonio Pass WA	3,000	3,000	1,500	50%
Ventura County FCD	20,000	20,000	10,000	50%
Subtotal	2,549,200	2,044,836	1,274,599	
TOTAL	4,121,631	3,617,267	2,059,914	

a) Monterey amendment not yet signed



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-11

DATE: DEC 10 1999

SUBJECT: Notices of Contest regarding the Accuracy of Statements of Charges

FROM: Signed: Thomas Hannigan
Director, Department of Water Resources

The water supply contracts require the contractors to give Notices 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, 2000, to file Notices of Contest and to pursue other available remedies on Statements of Charges previously submitted for those contested items listed below which remain unresolved:

1. All costs incurred after January 1, 1999.
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. Source 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.

(Continued on next page.)

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:
 - Costs affected by project purpose allocations
 - Reimbursable expenditures remaining to be audited and reviewed by the contractors for Reid Gardner Powerplant
6. Reimbursement by 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 contract.

In addition, the long-term water supply contracts 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 the 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 of Southern California) for costs charged to the State water facilities as of December 31, 1998 and the annual Statement of Charges rendered by the Department dated June 30, 1999.



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 99-12

DATE: JAN 4 2000

SUBJECT: Interruptible Water Program
for 2000

FROM: Signed: Stephen Kashiwada
Deputy Director, Department of Water Resources

The Department of Water Resources will administer an Interruptible Water Program in 2000. Recent operation studies indicate that interruptible water may be available by late February 2000 if water supply conditions permit. The 2000 Program is available to all State Water Project contractors who have signed the Monterey Amendment and is subject to the attached Criteria, Scheduling and Charges.

To participate in the 2000 Program and be on the notification list, a contractor must sign and date the attachment to this notice and return the attachment to Thomas L. Hanson, 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 Tom Hanson at (916) 653-0190 or Paul Mendoza at (916) 654-9925, FAX (916) 653-9628.

Attachment

Interruptible Water Program for 2000

CRITERIA

1. Contractors can take delivery of Interruptible Water in addition to presently approved amounts of 2000 entitlement water. Deliveries under this Program may result in a contractor receiving water in 2000 above Table A amounts.
2. Interruptible Water will be delivered for use within the service area of a requesting contractor for the same reasonable and beneficial uses as entitlement water.
3. Delivery of Interruptible Water shall not impact allocation or delivery of entitlement water to contractors in 2000.
4. Water available under this Program shall be State Water Project water available as determined by the Department that is not needed for fulfilling contractors' annual entitlement 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 Interruptible 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 Interruptible Water is being delivered to a contractor, Interruptible Water may be reclassified as 2000 scheduled entitlement to keep the Project whole.
7. Interruptible 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 2000 entitlement and substitute delivery of Interruptible Water for 2000 entitlement water in a way that would adversely impact delivery of entitlement water to other contractors in 2000 or in any subsequent year, or adversely affect Project storage of water.

SCHEDULING AND CHARGES

9. Participating contractors shall request 2000 Interruptible Water by submitting a weekly schedule to the State Water Project Analysis Office by FAX at (916) 653-9628, attention: Paul Mendoza. 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 Interruptible Water.**

10. If necessary, the supply of Interruptible Water will be allocated among requesting contractors in proportion to the 2000 Table A entitlements of those contractors.
11. The Department may determine the availability of Interruptible Water on a daily basis and may discontinue delivery upon short notice.
12. A contractor taking delivery of Interruptible Water may stop or suspend participation in the Program by notifying Paul Mendoza at (916) 654-9925 or by FAX at (916) 653-9628.
13. Conveyance charges for Interruptible Water delivered under this Program shall be the same as for entitlement 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.
14. All contractors participating in the Program are responsible for coordinating delivery points and rates through their normal contacts at the various Department field divisions.
15. Participating contractors shall identify a contact person for the Department to notify concerning all matters under this Program.
16. The 2000 Interruptible Water Program shall not be a precedent for future programs.

In order to obtain a supply of Interruptible Water in 2000, please sign below in the space provided and return a copy to the State Water Project Analysis Office. A contractor's signature indicates acceptance of the criteria, procedures, and charges established for this Program.

