

NOTICE TO STATE WATER PROJECT CONTRACTORS

Date: February 25, 2026

Number: 26-03

Subject: 2026 Article 21 Interruptible Water Program

From: Original Signed by
John Yarbrough
Deputy Director, State Water Project
Department of Water Resources

The Department of Water Resources (DWR) will administer an Interruptible Water Program (Program) during 2026 in accordance with Article 21 of the long-term Water Supply Contracts. The 2026 Program is available to State Water Project (SWP) contractors that have signed the Monterey Amendment and/or Water Management Amendment.

Due to current hydrology and SWP operational conditions, Interruptible Water may become available during 2026. Should Interruptible Water become available, the Program will be administered according to the attached Guidelines for the 2026 Article 21 Interruptible Water Program (Guidelines).

To participate in the Program, a contractor must sign and date the Guidelines attached and return those to DWR's Water Deliveries Reporting Unit at SWP-SWDS@water.ca.gov and SWP Contracts and Agreements Unit at SWPContracts@water.ca.gov.

If you have any questions or need additional information, please contact Tasmin Eusuff at Tasmin.Eusuff@water.ca.gov or Tracy Hinojosa at Tracy.Hinojosa@water.ca.gov.

Attachment

GUIDELINES
FOR THE ARTICLE 21 INTERRUPTIBLE WATER PROGRAM
2026

These Guidelines for the Article 21 Interruptible Water Program (Program) shall govern the availability and delivery of Interruptible Water, as defined in Article 1 and detailed in Article 21 of the Water Supply Contracts between the State Water Project (SWP) contractors and the Department of Water Resources (DWR).

DWR will notify the contractors by email before Interruptible Water becomes available.

All participants in the Program are subject to Part A of these Guidelines. Part B1 or B2 only applies to those contractors participating in a transfer of Interruptible Water.

PART A:

CRITERIA

1. The availability of Interruptible Water will be determined solely by DWR.
2. Delivery of Interruptible Water shall not impact approved SWP Table A deliveries in the current calendar year and will not impact a contractor's allocation of Table A water in the next calendar year.
3. No delivery schedule modifications during the availability of Interruptible Water will be allowed unless DWR changes the Table A allocation.
4. Participation in the Program does not guarantee fulfillment of requested quantities of Interruptible Water. Delivery to specific contractors may be limited by operational capacity in SWP facilities or as a result of operational conditions.
5. DWR will use its best efforts to implement this Program in a manner that causes no adverse impacts to other contractors or the SWP. If DWR determines there was an adverse impact during the period when Interruptible Water was being delivered, DWR may reclassify Interruptible Water as necessary to rectify impacts.
6. When a contractor requests Interruptible Water to be directly delivered, it shall be used within the contractor's service area, for the same reasonable and beneficial uses as Table A water.
7. A contractor may request that Interruptible Water be stored in a groundwater storage program outside the contractor's service area, for later delivery to the requesting contractor's service area. For such storage to be allowed, a separate written agreement with DWR shall be in place that allows for such delivery and storage outside of a contractor's service area and for the subsequent return to the contractor's service area. Interruptible Water stored in a groundwater storage program may not be transferred or exchanged.
8. Interruptible Water shall be directly delivered from SWP facilities and will not be stored in SWP facilities for later delivery to a requesting contractor.

9. If a contractor is unable to take delivery of any portion of the allocated amount of Interruptible Water, the contractor shall immediately contact DWR to coordinate redistribution of the undelivered Interruptible Water. If a contractor fails to contact DWR in a timely and effective manner that prevents redistribution of the undelivered Interruptible Water to other contractors, DWR will review the circumstances and may take appropriate actions as necessary to rectify impacts.

SCHEDULING AND CHARGES

10. After receiving notification of the availability of Interruptible Water from DWR, participating contractors shall provide a schedule of requested volumes of Interruptible Water to DWR's Division of Operation and Maintenance, Office of Assistant Division Manager – Water Management, Water Deliveries Reporting Unit at SWP-SWDS@water.ca.gov and Water Operations Scheduling Section at woss@water.ca.gov. The schedule shall include the volume of other scheduled SWP supplies in addition to the volume of Interruptible Water being requested.
11. If there is a Table A allocation change while Interruptible Water is being made available, DWR will request contractors to provide updated water delivery schedules.
12. Specific volumetric allocations of Interruptible Water will be made on a weekly basis during Interruptible Water availability.
13. If the sum of requested amounts of Interruptible Water exceeds the available supply, the supply of Interruptible Water will be allocated in proportion to the Annual Table A amount of those contractors requesting Interruptible Water.
14. All payments under the Program not covered under the recipient contractor's Water Supply Contract shall be due 30 days after the date of DWR's billing. DWR will charge interest if payments are delinquent by more than 30 days. The recipient contractor shall pay to DWR accrued interest on these overdue payments at the rate of one percent per month from the due date to the date of payment.
15. All contractors participating in the Program are responsible for coordinating delivery points and rates through their normal contacts at the various DWR field divisions.
16. A contractor taking delivery of Interruptible Water may stop or suspend participation in the Program by sending email to Water Deliveries Reporting Unit at SWP-SWDS@water.ca.gov.
17. DWR may discontinue availability of Interruptible Water at any time without advanced notice or upon short notice.
18. DWR will maintain records documenting the delivery of Interruptible Water to the recipient contractor's service area.

If the terms and conditions in these Guidelines are acceptable, and in order to participate in the Program for the current calendar year, please sign below in the space provided and return all pages of this part including any additional records to the Water Deliveries Reporting Unit at SWP-SWDS@water.ca.gov and the SWP Contracts and Agreements Unit at SWPContracts@water.ca.gov. A contractor's signature on Part A indicates acceptance of the criteria, procedures, and charges established for this Program. These signed documents constitute the "further agreement with the State" required to obtain a supply of Interruptible Water, as described in Article 21(b) of the Water Supply Contract. To request a transfer of Interruptible Water, please also review and sign Part B1 or B2, as appropriate.

PART A ACCEPTED:

AUTHORIZED REPRESENTATIVE:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Signature

Molly White
Assistant Division Manager
Water Management
Division of Operations and Maintenance
State Water Project

Name

Title

Agency

Date

Date

AGENCY CONTACT:

Name

e-mail

Phone

PART B1:

TRANSFERS OF INTERRUPTIBLE WATER BY TULARE LAKE BASIN WATER STORAGE DISTRICT, EMPIRE WEST-SIDE IRRIGATION DISTRICT, OAK FLAT WATER DISTRICT, AND COUNTY OF KINGS

According to Water Supply Contract Article 21(d)(1), transfers of Interruptible Water are allowed by the listed contractors (Transferor). A Transferor desiring to transfer Interruptible Water according to Article 21(d)(1) in the current calendar year to another contractor (Transferee) should negotiate the terms of a transfer with the Transferee and submit the necessary documents to DWR as early as possible in the calendar year since Interruptible Water may become available upon short notice.

All contractors that are party to an Interruptible Water transfer according to Article 21(d)(1) shall review, sign, and return Parts A and B1 of these Guidelines, and supply the following information to DWR for review and approval.

Transferor Name:

Transferee Name:

Quantify (amount or percentage) of the current year Interruptible Water allocation to be transferred*:

Third-Party Transfer Agreement*

CEQA Compliance, if needed*

*Attach documentation as necessary.

Please return this signed Part B1 with copies of all supporting documentation to the Water Deliveries Reporting Unit at SWP-SWDS@water.ca.gov and the SWP Contracts and Agreements Unit at SWPContracts@water.ca.gov for each requested Interruptible Water transfer.

A Contractor with an outstanding SWP Human Health and Safety (HHS) balance is prohibited from transferring Interruptible Water.

A transfer of Interruptible Water will not be implemented until all documents have been received, reviewed, and approved by DWR and all parties have signed this Part B1. Approval of a proposed Article 21(d)(1) transfer by DWR does not guarantee an allocation of Interruptible Water.

DWR will make all reasonable efforts to transfer Interruptible Water as requested, and will do so on a weekly timestep. The transfer will continue until and unless changes are submitted in writing by the Transferor and Transferee.

By signing this Part B1, the Transferor and Transferee, in accordance with Article 57(d) and Article 57(g) of their respective Water Supply Contracts, confirm that:

1. The Transferor and Transferee have complied with all applicable laws.
2. The Transferor and Transferee have provided any required notices to public agencies and the public.
3. The Transferor and Transferee have provided the relevant terms to all contractors and to the Water Transfers Committee of the State Water Contractors Association.
4. The Transferor and Transferee are informed and believe that the transfer will not harm other contractors.
5. The Transferor and Transferee are informed and believe that the transfer will not adversely impact State Water Project operations.
6. The Transferor and Transferee are informed and believe that the transfer will not affect its ability to make all payments, including payments when due under its Contract for its share of the financing costs of the State's Central Valley Project Revenue Bonds.
7. The Transferor and Transferee have considered the potential impacts of the transfer within its service area.

Conveyance charges determined for Interruptible Water deliveries under this Program shall be payable by the Transferee and in accordance with the Transferee's Water Supply Contract.

DWR is not responsible for the use, effects, or disposal of Interruptible Water transferred under this Program once the water is delivered to the designated turnout(s). Responsibility shall be governed by Article 13 of the Transferee's Water Supply Contract, as applicable, with responsibilities under the terms of that article shifting from DWR to the Transferee when the water is delivered to the designated turnout(s).

The Transferor and Transferee are responsible, jointly and severally, as determined by DWR, for any adverse impacts that may result from the transfer and delivery of water under this Program.

The Transferor and Transferee agree to defend and hold DWR, its officers, employees, and agents harmless from any direct or indirect loss, liability, lawsuits, cause of action, judgment or claim, and shall indemnify DWR, its officers, employees, and agents from all lawsuits, costs, damages, judgments, attorneys' fees, and liabilities that DWR, its officers, employees, and agents incur as a result of DWR approving or implementing this transfer, except to the extent resulting from the sole negligence or willful misconduct of DWR, its officers, employees, and agents.

PART B1 ACCEPTED:

TRANSFEROR:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Signature of Authorized Representative

Molly White
Assistant Division Manager
Water Management
Division of Operations and Maintenance
State Water Project

Name

Title

Agency

Date

Date

TRANSFeree:

Signature of Authorized Representative

Name

Title

Agency

Date

PART B2:

TRANSFERS OF INTERRUPTIBLE WATER BY OTHER CONTRACTORS

According to Water Supply Contract Article 21(d)(2), transfers of Interruptible Water are allowed by the contractors (Transferor) other than those listed in Article 21(d)(1) with approval from DWR. A Transferor desiring to transfer Interruptible Water according to Article 21(d)(2) in the current calendar year should negotiate the terms of a transfer with the Transferee and submit the necessary documents to DWR as early as possible in the calendar year since Interruptible Water may become available upon short notice.

DWR may approve the transfer of Interruptible Water according to Article 21(d)(2) if the contractor acquiring the water (Transferee) can demonstrate a special need for the water.

The parties to a proposed Article 21(d)(2) transfer must provide the relevant terms to all SWP contractors and to the State Water Contractors Association in compliance with Article 57(g)(3) and shall solicit feedback on the proposal for a minimum of 10 calendar days. All feedback shall be shared with DWR for its use in evaluating the proposed transfer for approval.

All contractors that are party to an Interruptible Water transfer according to Article 21(d)(2) shall review, sign, and return Parts A and B2 of these Guidelines, and supply the following information to DWR for consideration.

Transferor Name:

Transferee Name:

Quantify (amount or percentage) of the current year Interruptible Water allocation to be transferred*:

Special Need of Transferee*:

Third-Party Transfer Agreement*

CEQA Compliance, if needed*

*Attach documentation as necessary.

Please return this signed Part B2 with copies of all supporting documentation to the Water Deliveries Reporting Unit at SWP-SWDS@water.ca.gov and the SWP Contracts and Agreements Unit at SWPContracts@water.ca.gov for each proposed Interruptible Water transfer.

A Contractor with an outstanding SWP Human Health and Safety (HHS) balance is prohibited from transferring Interruptible Water.

A transfer of Interruptible Water will not be implemented until all documents have been received, reviewed, and approved by DWR and all parties have signed this Part B2. Approval of a proposed Article 21(d)(2) transfer by DWR does not guarantee an

allocation of Interruptible Water.

DWR will make all reasonable efforts to transfer Interruptible Water as requested, and will do so on a weekly timestep. The transfer will continue until and unless changes are submitted in writing by the Transferor and Transferee.

By signing this Part B2, the Transferor and Transferee, in accordance with Article 57(d) and Article 57(g) of their respective Water Supply Contracts, confirm that:

1. The Transferor and Transferee have complied with all applicable laws.
2. The Transferor and Transferee have provided any required notices to public agencies and the public.
3. The Transferor and Transferee have provided the relevant terms to all contractors and to the Water Transfers Committee of the State Water Contractors Association.
4. The Transferor and Transferee are informed and believe that the transfer will not harm other contractors.
5. The Transferor and Transferee are informed and believe that the transfer will not adversely impact State Water Project operations.
6. The Transferor and Transferee are informed and believe that the transfer will not affect its ability to make all payments, including payments when due under its Contract for its share of the financing costs of the State's Central Valley Project Revenue Bonds.
7. The Transferor and Transferee have considered the potential impacts of the transfer within its service area.

Conveyance charges determined for Interruptible Water deliveries under this Program shall be payable by the Transferee and in accordance with the Transferee's Water Supply Contract.

DWR is not responsible for the use, effects, or disposal of Interruptible Water transferred under this Program once the water is delivered to the designated turnout(s). Responsibility shall be governed by Article 13 of the Transferee's Water Supply Contract, as applicable, with responsibilities under the terms of that article shifting from DWR to the Transferee when the water is delivered to the designated turnout(s).

The Transferor and Transferee are responsible, jointly and severally, as determined by DWR, for any adverse impacts that may result from the transfer and delivery of water under this Program.

The Transferor and Transferee agree to defend and hold DWR, its officers, employees, and agents harmless from any direct or indirect loss, liability, lawsuits, cause of action, judgment or claim, and shall indemnify DWR, its officers, employees, and agents from all lawsuits, costs, damages, judgments, attorneys' fees, and liabilities that DWR, its officers, employees, and agents incur as a result of DWR approving or implementing this transfer, except to the extent resulting from the sole negligence or willful misconduct of DWR, its officers, employees, and agents.

PART B2 ACCEPTED:

TRANSFEROR:

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Signature of Authorized Representative

Molly White
Assistant Division Manager
Water Management
Division of Operations and Maintenance
State Water Project

Name

Title

Agency

Date

Date

TRANSFeree:

Signature of Authorized Representative

Name

Title

Agency

Date