

## DEPARTMENT OF WATER RESOURCES

NINTH STREET, P.O. BOX 942836  
SACRAMENTO, CA 94236-0001  
(916) 653-5791



# NOTICE TO STATE WATER PROJECT CONTRACTORS

## NO. 96-1

DATE: January 10, 1996

SUBJECT: Establishment of the 1996  
Interruptible Water Service Program

FROM: \_\_\_\_\_

A handwritten signature in black ink, appearing to read "Donald R. Long", written over a horizontal line.

Director, Department of Water Resources

The Department of Water Resources has established the 1996 Interruptible Water Service Program which allows contractors to take delivery of water on an interruptible basis for 1996. The 1996 Program is consistent with the interim implementation of the Monterey Principles as described in Water Service Contractors Council Memo No. 2127 and is patterned after the 1995 Interruptible Water Service Program. The Program is available to all contractors under the attached guidelines.

The Department will notify all interested contractors when interruptible water is available. To participate in the program and to be on the notification list, a contractor must sign and date the attachment to this notice and return the attachment to Donald R. Long, Chief, 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 Donald Long, at (916) 653-4313 or Dan Flory, at (916) 653-5942, FAX (916) 653-9628.

Attachment

## Interruptible Water Program for 1996

### CRITERIA

1. Contractors can take delivery of Interruptible Water in addition to presently approved amounts of 1996 entitlement water. Deliveries under this program may result in a contractor receiving water in 1996 above Table A amounts.
2. Interruptible Water will be delivered to 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 1996 except as provided in paragraph 6.
4. Water available under this program shall be project water available as determined by the Department that is not needed for fulfilling contractor's 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 State Water Project facilities or as a result of changed operational conditions.
6. Interruptible Water shall not be delivered in any way that would 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 1996 scheduled entitlement to keep the Project whole.
7. Interruptible Water shall not be stored by the Department.
8. This program is not intended to allow a contractor to shift or defer delivery of allocated scheduled 1996 entitlement and substitute delivery of Interruptible Water for 1996 entitlement water in a way that would adversely impact delivery of entitlement water to other contractors in 1996 or in any subsequent year, or adversely affect project storage of water.

### SCHEDULING AND CHARGES

9. Participating contractors shall request 1996 Interruptible Water by submitting a weekly schedule to the State Water Project Analysis Office by FAX at (916) 653-9628, attention: Rob Cooke. Schedules shall be submitted by 10:00 AM Thursday for the following Friday through Thursday. 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 1996 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 Rob Cooke at (916) 653-4635 or sending him a FAX at (916) 653-9628.
13. Each day Interruptible Water is delivered a participating contractor must also take daily delivery of its approved 1996 entitlement water (does not include 1995 Carryover water) at the following rate per month:  
For Agricultural Interruptible Water use:  
    January 1%           February 2%  
For M&I Interruptible Water use:  
    January 2%          February 4%  
In subsequent months the percentages may be revised.
14. 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.
15. All contractors participating in the program are responsible for coordinating delivery points and rates through their normal contacts at the various Department field divisions.
16. Participating contractors shall identify a contact person for the Department to notify concerning all matters under this program.
17. The 1996 Interruptible Water Service Program shall not necessarily be a precedent for future programs.

In order to obtain a supply of Interruptible Water under the interim implementation of the Monterey principles 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.

ACCEPTED:

Agency: \_\_\_\_\_

Date: \_\_\_\_\_

## DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836

SACRAMENTO, CA 94236-0001

(916) 653-5791



# NOTICE TO STATE WATER PROJECT CONTRACTORS

## No. 96-2

DATE:

FEB 6 1996

SUBJECT: 1996 Sale of Project Water  
for Use Outside Service Area

FROM:

  
\_\_\_\_\_  
Director, Department of Water Resources

The Department of Water Resources is offering to interested contractors the opportunity to sell 1996 annual entitlement water through turn-back water pools in accordance with the Monterey Principles. As intended in the Monterey Amendment, the turn-back pools shall constitute the exclusive means of selling portions of annual entitlements not desired by contractors in 1996. A State Water Project contractor may sell allocated 1996 annual entitlement that it will not use within its service area, provided (1) the contractor has not elected to store project water outside its service area in 1996, and (2) the contractor has not elected to carry over entitlement water from 1995.

SWP contractors shall have the first priority to purchase all water placed in the pools. The State may purchase any water remaining in the pools not purchased by contractors at the same price offered to the contractors, and use such water for the purpose of meeting project carryover storage objectives. The State will consult with the contractors prior to making any such purchases.

To participate in the program either as a seller or buyer, a SWP contractor must sign and date the attachment to this notice, agreeing to the terms and conditions in this notice and the attachment, and fax 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. Because of time constraints, all notices of offers and requests for purchases of turn-back water should be faxed to the State Water Project Analysis Office at (916) 653-9628, Attention: Nancy Quan, but must be confirmed in writing.

If you have any questions about this program, please contact Don Long, at (916) 653-4313 or Dan Flory at (916) 653-5942.

Attachment

# 1996 Sale of Project Water For Use Outside Service Area

## Criteria

1. The turn-back pools shall constitute the exclusive means for a contractor to sell 1996 annual entitlement water to other contractors or other entities that are not contractors except for bona fide exchanges of project water as described in Article 56(f) of the Monterey Amendment. A "bona fide exchange" shall mean an exchange of water involving a contractor and another party where the primary consideration for one party furnishing water to another is the return of a substantially similar amount of water, after giving due consideration to the timing or other nonfinancial conditions of the return.
2. A State Water Project contractor can sell allocated 1996 annual entitlement water that it will not use within its service area, provided (1) the contractor has not elected to store project water outside its service area in 1996 in either project or non-project facilities as described in Article 56 of the Monterey Amendment, and (2) the contractor has not elected to carry over entitlement water from 1995 pursuant to Article 12(e). A contractor selling annual entitlement in 1996 may, however, carry over entitlement water from the last three months of the year to be used in the first three months of 1997 pursuant to Article 12(e), but would then be precluded from selling water in the turn-back water pool in 1997.
3. Sales and purchases of turn-back water by the contractors shall not affect the allocation of entitlement water to contractors in 1996.
4. Turn-back water shall not be delivered in any way that would adversely impact the deliveries of entitlement water to contractors. Deliveries of turn-back water to meet deliveries of contractors' annual entitlements not met for 1996 shall have the same delivery priority as entitlement water. Deliveries of turn-back water in excess of contractors' annual entitlement shall have sixth priority, as described in Article 12(f) of the Monterey Amendment.
5. Delivery may be limited by operational capacity in State Water Project facilities or as a result of changed operational conditions.
6. Turn-back water may be stored outside of the purchasing contractor's service area. 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 when the water is stored.
7. Contractors shall have the first priority to purchase all water offered in the turn-back pools. The State may purchase any water remaining in the pools not purchased by the contractors at the same price offered to the contractors. Any turn-back water purchased by the Department will be retained in SWP conservation storage to increase project carryover storage for the succeeding year. The water purchase cost will be repaid to the State by all contractors, including the offering contractors, under terms of Article 22(i) of the long-term water supply contract.

8. In order to sell to noncontractors, a contractor must offer the turn-back water for sale at least through Pool B and leave the water in the pool through April 1. The noncontractor will be required to demonstrate that it can use the water.
9. Turn-back water not sold by September 30, 1996 will become part of the overall State Water Project supply.

Scheduling and Charges

10. A contractor offering to sell turn-back water in Pool A must notify the Department on or before noon on February 15. The Department will notify all contractors of the availability of water through Pool A on February 15 in the afternoon.
11. A contractor willing to buy turn-back water through Pool A must submit its request to the Department by noon on March 1. The price for such water will be \$10.24 for each acre-foot of water purchased (50 percent of the Delta Water Rate).
12. A contractor offering turn-back water for sale through Pool A may cancel its offer for any water that remains unsold after March 1.
13. If there is water remaining in Pool A for sale on March 1, the Department may purchase any portion of the residual available water at \$10.24 per acre-foot.
14. Pool B water consists of turn-back water offered after February 15 and on or before March 15, and any water remaining but not withdrawn after sales from Pool A. A contractor offering any turn-back water for sale in Pool B must notify the Department on or before noon on March 15. The Department will notify all contractors of the availability of water through Pool B on March 15 in the afternoon.
15. A contractor willing to buy turn-back water through Pool B must submit its request to the Department by noon on April 1. The price for such water will be \$5.12 for each acre-foot of water purchased (25 percent of the Delta Water Rate).
16. If there is any water remaining in Pool B for sale on April 1, the Department may purchase any portion of the residual available water at \$5.12 per acre-foot.
17. A contractor offering turn-back water for sale in Pool B may cancel its offer for any water that remains unsold after April 1.
18. The Department will notify the buyers and sellers of the results of sales through Pool A and Pool B on March 4 and April 2, respectively.

19. For either Pool A or Pool B, if there are more requests from contractors to purchase water than the amount available in the pool, the water in the pool shall be allocated among those contractors requesting such water in proportion to their annual entitlements for 1996 up to the amount of their requests for pool water. If the requests to purchase water from the pool total less than the amount available in the pool, the sale of pool water shall be allocated among the contractors selling such water in each pool in proportion to their respective amounts of water offered in each pool.
20. Any turn-back water offered but not sold through Pool B will be offered to contractors and noncontractors and sold to the highest bidder unless withdrawn by the offering contractor. If the highest bidder is a noncontractor, the Department will notify all contractors of the bid to allow them to exercise a right of first refusal to purchase such water at the price offered by the noncontractor. Contractors interested in responding will be allowed fifteen days from the date of the Department's notice of the noncontractor's bid.
21. Interested noncontractors should notify the Department if they want to receive notices of turn-back water offers remaining after Pool B.
22. Contractors purchasing water under the turn-back pools shall pay the same for power resources incurred in the transportation of such water as if such water were entitlement water, as well as all incremental operation, maintenance, and replacement costs, and any other incremental costs, as determined by the Department, but not including any administrative or contract preparation charge.
23. Noncontractors will need to obtain approvals from permitting agencies and make separate arrangements for transportation of purchased water, including use-of-facilities and power costs, as required to make the deliveries. The Department will charge administrative and contract preparation fees for noncontractors purchasing water under the turn-back pool program. Turn-back pool water for noncontractors shall not be delivered in any way that would adversely impact the deliveries of any water to the contractors.
24. All money from water purchases will be credited to the offering contractors in proportion to the amount of water turned back by each contractor during each sale.
25. A contractor or noncontractor selling or purchasing turn-back pool water will be required to confirm its sales or purchases through agreements with the Department.

26. A contractor purchasing turn-back water should submit its revised delivery request to the Department as early as possible.
27. Sales of turn-back water shall undergo environmental review as provided by existing law.
28. The 1996 turn-back pool program shall not necessarily be a precedent for future programs.

In order to sell or purchase turn-back water under the interim implementation of the Monterey principles, 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 for this program.

ACCEPTED:

---

AGENCY:

---

DATE:

---

AUTHORIZED REPRESENTATIVE:



## DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836

SACRAMENTO, CA 94236-0001

) 653-5791



# NOTICE TO STATE WATER PROJECT CONTRACTORS

## No. 96-3

DATE: MAR 04 1996

SUBJECT: 1996 Entitlement Allocation

FROM:

A handwritten signature in cursive script that reads "Susan N. Weber".

for Director, Department of Water Resources

The Department of Water Resources is approving 2.5 million acre-feet of entitlement water to long-term State Water Project contractors for 1996. The allocation represents an approval of at least 90 percent of individual contractor requests. A table showing the 1996 SWP allocations of entitlement water is attached. In making this allocation the Department is attempting to allocate water to users as soon as feasible to help contractors plan their operations for 1996. The Department's analysis considered several factors including the existing storage in SWP conservation reservoirs, a conservative projection of hydrology and water supply for the 1995-96 water year, SWP operational constraints, and 1996 contractor demands. SWP contractor's Table A for 1996 totals 4.13 MAF, of which 2.6 MAF was requested. This 2.5 MAF allocation is consistent with the provisions contained in the "Monterey Principles" established on December 1, 1994.

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

If you have any questions about this program, please contact Don Long at (916) 653-4313 or Dan Flory at (916) 653-5942.

Attachment

**INITIAL  
1996 STATE WATER PROJECT ALLOCATION  
(ACRE-FEET)**

S.W.P. CONTRACTORS	1996 ENTITLEMENT			
	TABLE-A (1)	INITIAL REQUEST (2)	a) APPROVED 1996 ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
<b>FEATHER RIVER:</b>				
County of Butte	1,200	800	800	100%
Plumas County	1,300	1,300	1,170	90%
Yuba City	9,600	3,150	3,150	100%
Subtotal	12,100	5,250	5,120	
<b>NORTH BAY:</b>				
Napa County	10,425	10,425	9,383	90%
Solano County	37,800	37,800	34,020	90%
Subtotal	48,225	48,225	43,403	
<b>SOUTH BAY:</b>				
Alameda County FC&WCD—Zone 7	44,000	44,000	39,600	90%
Alameda County WD	42,000	32,466	32,466	100%
Santa Clara Valley WD	100,000	100,000	90,000	90%
Subtotal	186,000	176,466	162,066	
<b>SAN JOAQUIN VALLEY:</b>				
Oak Flat WD	5,700	5,700	5,130	90%
County of Kings	4,000	4,000	3,600	90%
Dudley Ridge WD	53,370	53,370	48,033	90%
Empire West Side ID	3,000	3,000	2,700	90%
Kern County WA	1,117,060	1,117,060	1,005,354	90%
Tulare Lake B. WSD	118,500	118,500	106,650	90%
Subtotal	1,301,630	1,301,630	1,171,467	
<b>CENTRAL COASTAL:</b>				
San Luis Obispo County	25,000	25,000	22,500	90%
Santa Barbara County	45,486	42,986	40,937	95%
Subtotal	70,486	67,986	63,437	
<b>SOUTHERN CALIFORNIA:</b>				
AVEK	138,400	138,400	124,560	90%
Castaic Lake WA	54,200	39,800	39,800	100%
Coachella Valley WD	23,100	23,100	20,790	90%
Crestline—Lake Arrowhead WA	5,800	4,150	4,150	100%
Desert WA	38,100	38,100	34,290	90%
Little Rock Creek ID	2,300	2,300	2,070	90%
Mojave WA	50,800	20,000	20,000	100%
MWDSC	2,011,500	738,800	738,800	100%
Palmdale WD	17,300	17,300	15,570	90%
San Bernardino Valley MWD	102,600	27,000	27,000	100%
San Gabriel Valley	28,800	28,800	25,920	90%
San Geronimo Pass	17,300	0	0	0%
Ventura County	20,000	10,000	10,000	100%
Subtotal	2,510,200	1,087,750	1,062,950	
<b>TOTAL</b>	<b>4,128,641</b>	<b>2,687,307</b>	<b>2,508,443</b>	

a) 90% of Table-A or initial request which ever is less

## DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836

SACRAMENTO, CA 94236-0001

☎ 653-5791



# NOTICE TO STATE WATER PROJECT CONTRACTORS

## No. 96-4

DATE: MAR 08 1996

SUBJECT: 1996 Entitlement Allocation

FROM:

  
Director, Department of Water Resources

The Department of Water Resources is approving full entitlement requests to long-term State Water Project contractors for 1996. This allocation represents an approval of 2.7 million acre-feet or 100 percent of individual contractor requests. A table showing the 1996 SWP allocations of entitlement water is attached. The Department's analysis considered several factors including the existing storage in SWP conservation reservoirs, a conservative projection of hydrology, a water supply for the 1995-96 water year based on the March 1, 1996 snow survey, SWP operational constraints, and 1996 contractor demands. SWP contractor's Table A for 1996 totals 4.13 MAF, of which 2.7 MAF was requested.

This allocation increases the previous allocation made on March 4, 1996. In an effort to increase allocations at the earliest possible date, the Department approved a 90 percent allocation on March 4 based on preliminary March snow survey data.

If you want to revise your "100 percent" schedule sent to us in October, please send your new schedule to the State Water Project Analysis Office for approval.

If you have any questions about this program, please contact Don Long at (916) 653-4313 or Dan Flory at (916) 653-5942.

Attachment

**1996 STATE WATER PROJECT ALLOCATION  
(ACRE-FEET)**

<b>S.W.P. CONTRACTORS</b>	<b>TABLE-A (1)</b>	<b>a) APPROVED REQUEST (2)</b>
<b>FEATHER RIVER:</b>		
County of Butte	1,200	800
Plumas County	1,300	1,300
Yuba City	<u>9,600</u>	<u>3,150</u>
Subtotal	12,100	5,250
<b>NORTH BAY:</b>		
Napa County	10,425	10,425
Solano County	<u>37,800</u>	<u>37,800</u>
Subtotal	48,225	48,225
<b>SOUTH BAY:</b>		
Alameda County FC&WCD-Zone 7	44,000	44,000
Alameda County WD	42,000	32,466
Santa Clara Valley WD	<u>100,000</u>	<u>100,000</u>
Subtotal	186,000	176,466
<b>SAN JOAQUIN VALLEY:</b>		
Oak Flat WD	5,700	5,700
County of Kings	4,000	4,000
Dudley Ridge WD	53,370	53,370
Empire West Side ID	3,000	3,000
Kern County WA	1,117,060	1,117,060
Tulare Lake B. WSD	<u>118,500</u>	<u>118,500</u>
Subtotal	1,301,630	1,301,630
<b>CENTRAL COASTAL:</b>		
San Luis Obispo County	25,000	25,000
Santa Barbara County	<u>45,486</u>	<u>42,986</u>
Subtotal	70,486	67,986
<b>SOUTHERN CALIFORNIA:</b>		
AVEK	138,400	138,400
Castaic Lake WA	54,200	54,200
Coachella Valley WD	23,100	23,100
Crestline-Lake Arrowhead WA	5,800	4,150
Desert WA	38,100	38,100
Little Rock Creek ID	2,300	2,300
Mojave WA	50,800	20,000
MWDSC	2,011,500	738,800
Palmdale WD	17,300	17,300
San Bernardino Valley MWD	102,600	27,000
San Gabriel Valley	28,800	28,800
San Geronio Pass	17,300	0
Ventura County	<u>20,000</u>	<u>10,000</u>
Subtotal	2,510,200	1,102,150
<b>TOTAL</b>	<b>4,128,641</b>	<b>2,701,707</b>

a) 100% of Table-A or Initial request, whichever is less

## DEPARTMENT OF WATER RESOURCES

1416 NINTH STREET, P.O. BOX 942836

CRAMENTO, CA 94236-0001

(916) 653-5791




# NOTICE TO STATE WATER PROJECT CONTRACTORS

## No. 96-5

DATE: April 9, 1996

SUBJECT: Criteria for Bulletin  
132-96

FROM:

  
\_\_\_\_\_  
Director, Department of Water Resources

Attached for your information are copies of "Criteria for Bulletin 132-96 Project Operation Studies" and "Interest and Escalation Rates for Preparing Bulletin 132-96."

These criteria are being used by the Department of Water Resources in preparing information to be presented in Bulletin 132-96, "*Management of the California State Water Project*" and for determining the Water Contractors' Statements of Charges for 1997.

If you have any questions, please contact Don Long at (916) 653-4313 or David Knock at (916) 653-1894.

Attachments

**CRITERIA FOR BULLETIN 132-96  
PROJECT OPERATIONS STUDIES**

1. **Water Deliveries.** Water demands for the water operation studies will be based on the short-range, five-year (1996-2000) requests submitted by the contractors in October 1995, and the long-range (2001-2035) requests submitted by the water contractors in October 1994.
  
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) **1996**--The initial operations study for 1996 will assume hydrology sufficient to deliver 2.7 MAF (includes 0.15 MAF of "sellers water" to be stored in project conservation facilities and made available for later sale). 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 1996 water deliveries and water and power operations studies will be reviewed and finalized in March 1996, when the water supply forecast based on March 1, 1996 snow surveys becomes available.
  
  - (b) **1997**--State Water Project operations projected for 1997 are the basis for the 1997 Statements of Charges. The study will assume hydrology sufficient to deliver 3.0 MAF (full entitlement requests to all water contractors). Lower quartile inflow will be assumed for hydroelectric generating facilities (this should result in a conservatively high projection of 1997 charges under the Transportation variable OMP&R cost component.)
  
  - (c) **1998**--The 1998 studies will assume hydrology sufficient to deliver 3.2 MAF (full entitlement requests to all contractors). Lower quartile inflow will be assumed for hydroelectric generating facilities (this should result in a conservatively high projection of charges for 1998 under the Transportation variable OMP&R cost component.)
  
  - (d) **1999**--Assume hydrology sufficient to deliver 3.3 MAF to contractors.
  
  - (e) **2000**--Assume hydrology sufficient to deliver 3.5 MAF to contractors.
  
  - (f) **2001**--and thereafter--Assume hydrology sufficient to deliver 4.2 MAF to contractors.

3. Future Project Facilities. The schedule for initial operation of future project facilities to be used when preparing information for Bulletin 132-96 is shown in the table on page 4. Future facilities include Phase I of the proposed East Branch Extension to the San Geronio 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. Corps of Engineers permit (Public Notice 5820A, amended October 1981.)

(b) Interim South Delta Facilities. This program is one of a number of Delta programs to address corrective action for the Delta and to implement the Governor's Water Policy. Projected costs of the preferred alternative for the Interim South Delta Program will be included in the 1996 Delta Water Rate. Facilities included in this program are:

- Construction of four control structures (\$31 million). Three barriers are proposed in south Delta channels to provide for control of water levels, circulation and the flow of the San Joaquin River. The fourth barrier will provide protection for salmon migrating along the San Joaquin River.
- Construction of a new multigate intake structure on the northeast corner of the existing Clifton Court Forebay (\$16 million), and some selected channel dredging (\$3 million) in a reach of Old River extending from north of the additional intake to Woodward Canal.
- Under the 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 Harvey O. Banks Delta Pumping Plant up to the full 10,300 cfs capacity. The additional capacity will provide operation flexibility for the SWP 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 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 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. Past purchase costs and annual operation and maintenance costs for the La Hacienda water purchase and the 1990 Demonstration Programs will be reflected in the Delta Water Rate.
- (e) Kern Water Bank. In accordance with provisions in the December 1994 Monterey Agreement between the Department and the State Water Contractors, it is assumed that the Kern Water Bank will be turned over to agricultural contractors in exchange for a 45,000 acre-foot annual reduction in Ag water entitlements. A lump sum payment of \$3 million in 1996 to the Kern County Water Agency under the terms of the transfer agreement will be projected; otherwise, future costs of the Kern Water Bank will not be included in the Delta Water Rate. The Ag water entitlement reduction will not be reflected in Bulletin 132 studies and Delta Water Charges.
- (f) Other Project Yield. For purposes of preparing water and power studies, 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 are generally highest during the on-peak hours and summer months. Therefore, 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 132-96, SWP Operation forecasts will be based on existing and planned power sources for the next twenty years. In 1996 and 1997, energy deficits will be met by unspecified spot market energy purchases at a projected cost range of 20-27 mills per kilowatt-hour. For 1998 and thereafter, additional capacity and energy resources needed to meet power requirements will be from unspecified purchases.



FUTURE PROJECT FACILITIES	Dates for Initial Operation	
	Bulletin 132-95	Bulletin 132-96
<b>CALIFORNIA AQUEDUCT</b> San Luis Canal Enlargement (approx. 1,000 cfs)	Not Scheduled	Not Scheduled
<b>COASTAL BRANCH</b> Coastal Branch, Phase II Bluestone Pumping Plant Units 1,2,3,4, & 5 (25 cfs each)	June 1996	November 1996
Polonio Pass Pumping Plant Units 1,2,3,4, & 5 (25 cfs each)	June 1996	November 1996
Devil's Den Pumping Plant Units 1,2,3,4, & 5 (25 cfs each)	June 1996	November 1996
San Luis Obispo Powerplant	Deleted	Deleted
Casmalia Pumping Plant	Deleted	Deleted
<b>EAST BRANCH</b> East Branch Enlargement – Stage 1 Mojave Siphon Powerplant Units 1,2, & 3 (960 cfs each)	January 1996	June 1997
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*
San Bernardino Tunnel Intake	September 1997	September 1997
San Geronio Extension – Phase I	Not Scheduled	December 1997
<b>WEST BRANCH</b> West Branch Enlargement Peace Valley Pipeline – second barrel	Not Scheduled	Not Scheduled
William E. Warne Powerplant – additional units	Not Scheduled	Not Scheduled
Gorman Creek Channel Modification	July 1996	October 1997
<b>DELTA FACILITIES</b> Interim North Delta Facilities Interim South Delta Facilities Permanent Control Structures Additional Intake – Clifton Court Forebay	Not Scheduled  June 1997 January 1998	Not Scheduled  June 2003 June 2001
<b>OTHER</b> Kern Water Bank – Future Facilities Los Banos Grandes Facilities Relocation of Project Operation Control Center Corporate Yard	Deleted Not Scheduled Not Scheduled Not Scheduled	Deleted Not Scheduled Not Scheduled Not Scheduled

\* Final units assumed to be available for water and power operation studies to transport project water as needed to meet water delivery requests. Capital costs and minimum OMP&R costs of final units will not be included in Bulletin 132-96 because of uncertainty of scheduling.

**TABLE 1**  
**INTEREST RATES TO BE USED IN PREPARING DATA AND**  
**INFORMATION FOR BULLETIN 132-96**  
**WATER CONTRACTOR STATEMENTS OF CHARGES FOR 1997, AND**  
**DEPARTMENT FINANCIAL ANALYSIS STUDIES**

<u>Item</u>	<u>Interest Rate <sup>(1)</sup></u> <u>Per Year</u>	
1. Interest rates on future general obligation bond sales Davis-Grunsky Bonds and "Offset" bonds (If assumed sold) <sup>(2)</sup>	5.5%	(5.5%)
2. Interest Rate for Water System Revenue Bond sale <sup>(3)</sup>	6.0%	(6.0%)
3. Project Interest Rate for determining Statements of Charges for 1997	4.621%	(4.621%)
4. Interest rate on future short-term investment of project funds <sup>(4)</sup>	6.5%	(6.5%)

For the purposes of Department studies, these rates are to be used as the effective rates of interest. Figures in parentheses are Bulletin 132-95 assumptions.

Projected Davis-Grunsky bonds are assumed to be 20-year issues with maturities commencing in the year following the date of sale and with equal annual bond service for the principal repayment period. "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.

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.

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

**TABLE 2**  
**BULLETIN 132-96**  
**COST ESCALATION RATES**  
**FOR SWP FACILITIES**  
**TO BE USED FOR FINANCIAL ANALYSIS STUDIES**

<u>Item</u>	<u>Percent Increase</u> <u>Per Year</u> <sup>(1)</sup>			
	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999-2000</u>
<u>Capital Costs</u>				
State Operations (Salaries and Benefits)	0 (3) <sup>(2)</sup>	3 (3)	3 (3)	3 (5)
Construction, Direct Pay	3 (5)	3 (5)	3 (5)	3 (5)
Relocation, Direct Pay	3 (5)	4 (5)	4 (5)	4 (5)
Land and Rights, Direct Pay	3 (5)	4 (5)	4 (5)	4 (5)
<u>Operations and Maintenance Cost</u> <sup>(3)</sup>				
State Operations (Salaries and Benefits)	0 (4)	3 (5)	3 (-)	0 (-)

- 
- 1) Statement of Charges for 1997 and Bulletin 132-96 will be based on unescalated January 1, 1996 capital costs.
  - 2) All figures in parentheses were Bulletin 132-95 assumptions.
  - 3) Operation and Maintenance costs in the Statements of Charges for 1997 and in Bulletin 132-96 to be escalated for three years (1996-1998) and held at that level of escalation for the remainder of the project repayment period. For specific project studies requiring escalated costs, continue the 3 percent rate for 1999-2035.



# NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 96-06

DATE: December 2, 1996

SUBJECT: Initial Entitlement  
Allocation for 1997

FROM:   
*Director, Department of Water Resources*

The Department of Water Resources is initially approving 2.42 million acre-feet of entitlement water for long-term State Water Project contractors in 1997. SWP supplies are projected to meet at least 70 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 five SWP contractors who have not signed the Monterey Amendment, this allocation is based on pre-Monterey conditions. A table showing the initial 1997 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 expected to develop during the remainder of the 1996-97 water year, SWP operational constraints, and 1997 contractor demands. SWP contractors' Table-A for 1997 totals 4.08 MAF, of which 2.98 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 "100 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 Rob Cooke at (916) 653-4635.

Enclosure

**INITIAL  
1997 STATE WATER PROJECT ALLOCATION  
(ACRE-FEET)**

S.W.P. CONTRACTORS	1997 ENTITLEMENT			
	TABLE-A (1)	INITIAL REQUEST (2)	APPROVED 1997 ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
<b>FEATHER RIVER:</b>				
County of Butte	1,200	800	800	100%
Plumas County	1,350	1,350	1,350 a	100%
Yuba City	9,800	3,700	3,700 a	100%
Subtotal	12,150	5,850	5,850	
<b>NORTH BAY:</b>				
Napa County	11,065	10,425	7,745	74%
Solano County	38,250	32,310	26,775	83%
Subtotal	49,315	42,735	34,520	
<b>SOUTH BAY:</b>				
Alameda County FC&WCD-Zone 7	46,000	46,000	32,200	70%
Alameda County WD	42,000	42,000	29,400	70%
Santa Clara Valley WD	100,000	100,000	70,000	70%
Subtotal	188,000	188,000	131,800	
<b>SAN JOAQUIN VALLEY:</b>				
Oak Flat WD	5,700	5,700	3,990	70%
County of Kings	4,000	4,000	2,800	70%
Castaic Lake WA	12,700	12,700	8,890	70%
Dudley Ridge WD	53,370 b	53,370	37,359	70%
Empire West Side ID	3,000	3,000	1,500 a,c	50%
Kern County WA	1,112,730 b	1,112,730	778,911	70%
Tulare Lake B. WSD	118,500	118,500	82,950	70%
Subtotal	1,310,000	1,310,000	916,400	
<b>CENTRAL COASTAL:</b>				
San Luis Obispo County	5,885	5,885	4,119	70%
Santa Barbara County	38,986	38,986	27,290	70%
Subtotal	44,871	44,871	31,410	
<b>SOUTHERN CALIFORNIA:</b>				
AVEK	138,400	138,400	96,880	70%
Castaic Lake WA	41,500	41,500	29,050	70%
Coachella Valley WD	23,100	23,100	16,170	70%
Crestline-Lake Arrowhead WA	5,800	1,950	1,950	100%
Desert WA	38,100	38,100	26,670	70%
Littlerock Creek ID	2,300	2,300	1,610	70%
Mojave WA	50,800	14,600	14,600	100%
MWDSC	2,011,500	1,044,100	1,044,100	100%
Palmdale WD	17,300	17,300	12,110	70%
San Bernardino Valley MWD	102,800	25,000	25,000 a	100%
San Gabriel Valley	28,800	28,800	20,160	70%
San Geronio Pass	0	0	0	0%
Ventura County	20,000	10,000	10,000 a	100%
Subtotal	2,480,200	1,385,150	1,298,300	
<b>TOTAL</b>	<b>4,084,536</b>	<b>2,976,606</b>	<b>2,418,080</b>	

a) Monterey amendment not yet signed

b) Reflects total of 45,000 AF reduction in Table-A (Kern County WA and Dudley Ridge WD)

c) 50% AG deficiency applied



# NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 96-7

DATE: December 26, 1996

SUBJECT: Interruptible Water Program  
for 1997

FROM: *Robert Pott* for  
*Director, Department of Water Resources*

The Department of Water Resources has established the 1997 Interruptible Water Program which allows contractors to take delivery of water on an interruptible basis for 1997. The Program is available to all State Water Project contractors who have signed the Monterey Amendment and is subject to the attached Criteria, and Scheduling and Charges.

The Department will notify all interested contractors when interruptible water is available. To participate in the program and to be on the notification list, a contractor must sign and date the attachment to this notice and return the attachment to Donald R. Long, Chief, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001.

The Department recognizes that some SWP contractors wish to further discuss the 1997 Interruptible Water Program Criteria, and Scheduling and Charges. Formal discussions will continue at the next Water Budget Subcommittee meeting scheduled for January 15, 1997.

If you have any questions about this program, please contact Donald Long, at (916) 653-4313 or Dan Flory, at (916) 653-5942, FAX (916) 653-9628.

Attachment

# Interruptible Water Program for 1997

## CRITERIA

1. Contractors can take delivery of Interruptible Water in addition to presently approved amounts of 1997 entitlement water. Deliveries under this program may result in a contractor receiving water in 1997 above Table A amounts.
2. Interruptible Water will be delivered to 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 1997 except as provided in paragraph 6.
4. Water available under this program shall be project water available as determined by the Department that is not needed for fulfilling contractor's 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 State Water Project facilities or as a result of changed operational conditions.
6. Interruptible Water shall not be delivered in any way that would 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 1997 scheduled entitlement to keep the Project whole.
7. Interruptible Water shall not be stored by the Department.
8. This program is not intended to allow a contractor to shift or defer delivery of allocated scheduled 1997 entitlement and substitute delivery of Interruptible Water for 1997 entitlement water in a way that would adversely impact delivery of entitlement water to other contractors in 1997 or in any subsequent year, or adversely affect project storage of water.

## SCHEDULING AND CHARGES

9. Participating contractors shall request 1997 Interruptible Water by submitting a weekly schedule to the State Water Project Analysis Office by FAX at (916) 653-9628, attention: Rob Cooke. Schedules shall be submitted by 10:00 AM Thursday for the following Friday through Thursday. 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 1997 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 Rob Cooke at (916) 653-4635 or sending him a FAX at (916) 653-9628.
13. Each day Interruptible Water is delivered a participating contractor must also take daily delivery of its approved 1997 entitlement water at the following rate per month:

For Agricultural Interruptible Water use:

January 1%            February - August 2%            September - December 0%

For M&I Interruptible Water use:

January 2%            February - August 4%            September - December 0%

The Department will exempt Interruptible Water delivered to groundwater recharge and local storage programs from the requirement to take a minimum daily percentage of 1997 entitlement water, if (1) the contractor assures the Department that entitlement deliveries are not being shifted into later delivery months, and (2) the contractor submits monthly reports showing entitlement deliveries and showing the rates, times and quantities of exempt Interruptible Water being delivered to specific groundwater storage programs. Minimum percentage shall remain in effect for all other Interruptible Water being delivered. The Department will organize all data received from participating contractors to allow peer review of the 1997 Interruptible Program by all SWP contractors.

14. 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.
15. All contractors participating in the program are responsible for coordinating delivery points and rates through their normal contacts at the various Department field divisions.



16. Participating contractors shall identify a contact person for the Department to notify concerning all matters under this program.
17. The 1997 Interruptible Water Program shall not necessarily be a precedent for future programs.

In order to obtain a supply of Interruptible Water 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.

ACCEPTED:

Agency: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Authorized Representative