



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-01

DATE: JAN 23 2001

SUBJECT: Solicitation of Interest in Water
Purchase To Augment SWP
2001 Deliveries

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

Attached is the Preliminary Forecast for State Water Project Operations for 2001 under three possible hydrologies. In light of the current allocation of 40% of SWP contract entitlements and in anticipation of further dry conditions, the Department of Water Resources is investigating the possibility of making water purchases to augment supplies for SWP contractors in 2001. Inasmuch as the project serves over 23 million people and irrigates a large portion of the State's agricultural lands, it is necessary to undertake such an investigation to meet the expectation of the 29 contractors who rely on the Department to provide a water supply and who pay all costs of project construction, operation, and maintenance.

With this notice, the Department is contacting the SWP contractors to determine their interest in participating in the purchase of water to augment SWP deliveries in 2001. This notice, and the attached questionnaire, is intended to gauge interest in water purchases for 2001 supplies.

If affirmative responses are received, the Department will pursue discussions that would lead to a program to purchase water to augment SWP supplies for those contractors who are interested in participating in the program. Details of the program will be developed in the coming weeks and communicated to contractors prior to implementation of the program. The program will be structured to provide for advance guarantees of payment by participating contractors.

All contractors should notify the Department, in writing by January 31, 2001, whether or not they are interested in a water purchase program and, if so, provide the following information:

Solicitation of Interest in Water Purchase
To Augment SWP 2001 Deliveries
Page 2

- Amount of water they wish the Department to purchase on their behalf,
- A range of price they are willing to pay for the water, and
- Any time constraints they may have regarding delivery of the water.

The first portion of the program is intended to be in place by mid-February, with guarantees required by February 28, 2001.

Depending on hydrologic conditions, the Department may designate a second open period later in the spring for contractors to request additional water. The program will terminate when all requested water purchases have been made or hydrologic conditions have made the program unnecessary.

The Department will keep contractors informed of all purchases.

The proposed program is undertaken in conjunction with the proposals made by the Governor's Advisory Drought Planning Panel in the December 29, 2000 Critical Water Shortage Contingency Plan. Any purchase program developed in response to this notice will be consistent with that plan.

Please fill out and fax the attached questionnaire to Teresa Geimer. If you have any questions, please contact Dan Flory, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313 or Teresa Geimer of his staff at (916) 653-4547.

Attachments

Preliminary Forecast of 2001 SWP Operations (TAF).

Based on Jan. 1 Snow Survey Forecast with 75% Fall.

	2001												Total (MAF)	Potential Allocation %
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec		
Using 50% Initial Request Pattern														
50% Exceedence.	BN			SRI = 12.6			SVI = 6.7			Estimated 2001 Allocation = 2.79				66%
Oroville EOM Storage	1920	2209	2479	2678	2683	2500	2079	1702	1460	1301	1309	1366	-	
Feather R. release (avg. cfs)	2000	1750	1760	1410	1040	3810	6310	6160	5040	3000	1310	1300	-	
SWP Banks PP exports	260	411	434	109	105	110	275	300	308	240	193	232	2.98	
Potential Art. 21 Water Avail.	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
SWP San Luis EOM Storage	576	832	1029	865	655	345	145	42	140	185	210	288	-	
SWP Contractor Deliveries	164	145	225	256	294	404	460	390	203	202	180	163	3.08	
90% Exceedence.	C			SRI = 7.5			SVI = 5.0			Estimated 2001 Allocation = 1.07				25%
Oroville EOM Storage	1714	1770	1833	1872	1741	1573	1401	1270	1245	1216	1245	1325	-	
Feather R. release (avg. cfs)	2000	1750	1760	840	810	1430	1300	1140	1010	890	960	930	-	
SWP Banks PP exports	225	290	248	9	44	4	7	9	6	109	143	253	1.35	
Potential Art. 21 Water Avail.	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
SWP San Luis EOM Storage	541	676	820	710	616	448	269	119	42	83	171	372	-	
SWP Contractor Deliveries	164	145	92	102	115	157	171	146	76	75	67	61	1.37	
99% Exceedence.	C			SRI = 5.9			SVI = 4.5			Estimated 2001 Allocation = 0.74				17%
Oroville EOM Storage	1675	1685	1672	1611	1432	1251	1054	908	848	804	834	911	-	
Feather R. release (avg. cfs)	2000	1750	1760	1090	800	810	1270	1190	1340	1140	960	960	-	
SWP Banks PP exports	185	112	125	7	85	20	0	0	23	124	142	234	1.06	
Potential Art. 21 Water Avail.	0	0	0	0	0	0	0	0	0	0	0	0	0.00	
SWP San Luis EOM Storage	501	458	531	452	451	352	210	90	42	109	206	401	-	
SWP Contractor Deliveries	163	144	40	67	62	102	127	107	61	63	55	46	1.04	

Questionnaire on 2001 SWP Water Supply

Date: _____

Name of SWP Contractor: _____

_____ I do not wish to participate in a DWR-sponsored water purchase program for 2001.

_____ I do wish to participate in a DWR-sponsored water purchase program for 2001.

Estimate of quantity needed: _____ af

Range of price willing to pay: \$ _____ /af

Preferred time of deliveries _____

Other terms: _____

Comments: _____

Signed: _____

Title: _____



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-02

DATE: JAN 26 2001

SUBJECT: Power Operations

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

The Department of Water Resources is taking action to assist in providing relief to the critical power supply shortage in California by adjusting State Water Project operations when needed. SWP operators are working closely with the California Independent System Operator to provide this assistance to the ISO so that SWP resources are utilized in the most effective manner to minimize blackouts in California.

The full extent of the Department's generation, pumped, and load drop capability are made available to the ISO on demand to prevent or minimize rolling blackouts. On December 7, 2000, the ISO utilized about 600 MW of SWP pump load drop to prevent rolling blackouts. The Department continues to offer pump load drop up to 800 MW capacity and 1000-1200 MW of generation per day. On December 5 and 6, 2000, at the request of the ISO, the Department purchased \$20.6 million worth of bulk power and provided it to the ISO to avoid rolling blackouts. The Department has purchased about \$15 million worth of bulk power this month for the ISO. The Department will be reimbursed for this purchase by the ISO.

The Governor and State Legislature have developed emergency measures and legislation that would further involve the Department in making energy purchases to assist in California's energy shortage. A general fund allocation has been provided for the Department's purchasing activity.

The Department is typically a net buyer of energy in order to meet its water delivery requirements. In addition, the total generating capability of the SWP can only produce a small portion of the overall energy required to meet California's need. The Department will continue to explore options for assisting the ISO to improve electrical system reliability.



NOTICE TO STATE WATER PROJECT CONTRACTORS

JAN 31 2001

NUMBER: 01-03

DATE:

SUBJECT: 2001 Entitlement Allocation
DecreaseFROM: Signed: Thomas M. Hannigan
Director, Department of Water Resources

Unusually dry conditions have caused the Department of Water Resources to adjust its projections for meeting State Water Project contractors 2001 Table A entitlement requests. Based on a dry hydrology, current SWP storage, and conservative projections to assure prudent operations, the Department is reducing its projected delivery capability from 1.65 million acre-feet to 824 thousand acre-feet. This reduction will equate to a drop in allocations from 40 percent to 20 percent for most long-term SWP contractors. Attached is the revised 2001 State Water Project Allocation table.

With this reduction, water contractors should evaluate their delivery schedules. The Department will prorate the 30 percent delivery pattern submitted by contractors in October 2000 in developing new delivery schedules, unless revised delivery patterns are submitted.

The Department will continuously monitor the situation and update the contractors if hydrologic conditions improve. Allocations will be increased as soon as possible in the coming months.

If you need additional information or would like to discuss this further, please call Dan Flory, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313 or your staff may call Nancy Quan at (916) 653-0190.

Attachment

REVISION
2001 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)

SWP CONTRACTORS	2001 ENTITLEMENT			
	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
FEATHER RIVER				
County of Butte	3,500	3,500	700	20%
Plumas County FC&WCD	1,570	1,570	441 *	28%
City of Yuba City	9,600	9,600	1,920	20%
Subtotal	14,670	14,670	3,061	
NORTH BAY				
Napa County FC&WCD	20,725	20,725	4,145	20%
Solano County WA	45,836	45,836	9,167	20%
Subtotal	66,561	66,561	13,313	
SOUTH BAY				
Alameda County FC&WCD, Zone 7	78,000	78,000	15,600	20%
Alameda County WD	42,000	42,000	8,400	20%
Santa Clara Valley WD	100,000	100,000	20,000	20%
Subtotal	220,000	220,000	44,001	
SAN JOAQUIN VALLEY				
Oak Flat WD	5,700	5,700	1,140	20%
County of Kings	4,000	4,000	800	20%
Castaic Lake WA	12,700	12,700	2,540	20%
Dudley Ridge WD	53,370	53,370	10,674	20%
Empire West Side ID	3,000	3,000	0 *	0%
Kern County WA	1,000,949	1,000,949	200,190	20%
Tulare Lake Basin WSD	118,500	118,500	23,700	20%
Subtotal	1,198,219	1,198,219	239,044	
CENTRAL COASTAL				
San Luis Obispo County FC&WCD	25,000	25,000	5,000	20%
Santa Barbara County FC&WCD	45,486	45,486	9,097	20%
Subtotal	70,486	70,486	14,096	
SOUTHERN CALIFORNIA				
Antelope Valley-East Kern WA	138,400	138,400	27,680	20%
Castaic Lake WA	82,500	82,500	16,500	20%
Coachella Valley WD	23,100	23,100	4,620	20%
Crestline-Lake Arrowhead WA	5,800	5,800	1,160	20%
Desert WA	38,100	38,100	7,620	20%
Littlerock Creek ID	2,300	2,300	460	20%
Mojave WA	75,800	75,800	15,160	20%
Metropolitan WDSC	2,011,500	2,011,500	402,300	20%
Palmdale WD	21,300	21,300	4,260	20%
San Bernardino Valley MWD	102,600	102,600	20,520	20%
San Gabriel Valley MWD	28,800	28,800	5,760	20%
San Geronio Pass WA	4,000	4,000	800	20%
Ventura County FCD	20,000	20,000	4,000	20%
Subtotal	2,554,200	2,554,200	510,839	
TOTAL	4,124,136	4,124,136	824,355	

* Monterey amendment not signed



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-04 **DATE:** FEB 09 2001

SUBJECT: 2001 Turn-Back Water Pool Program **FROM:** Signed: Jonas Minton for
Director, Department of Water Resources

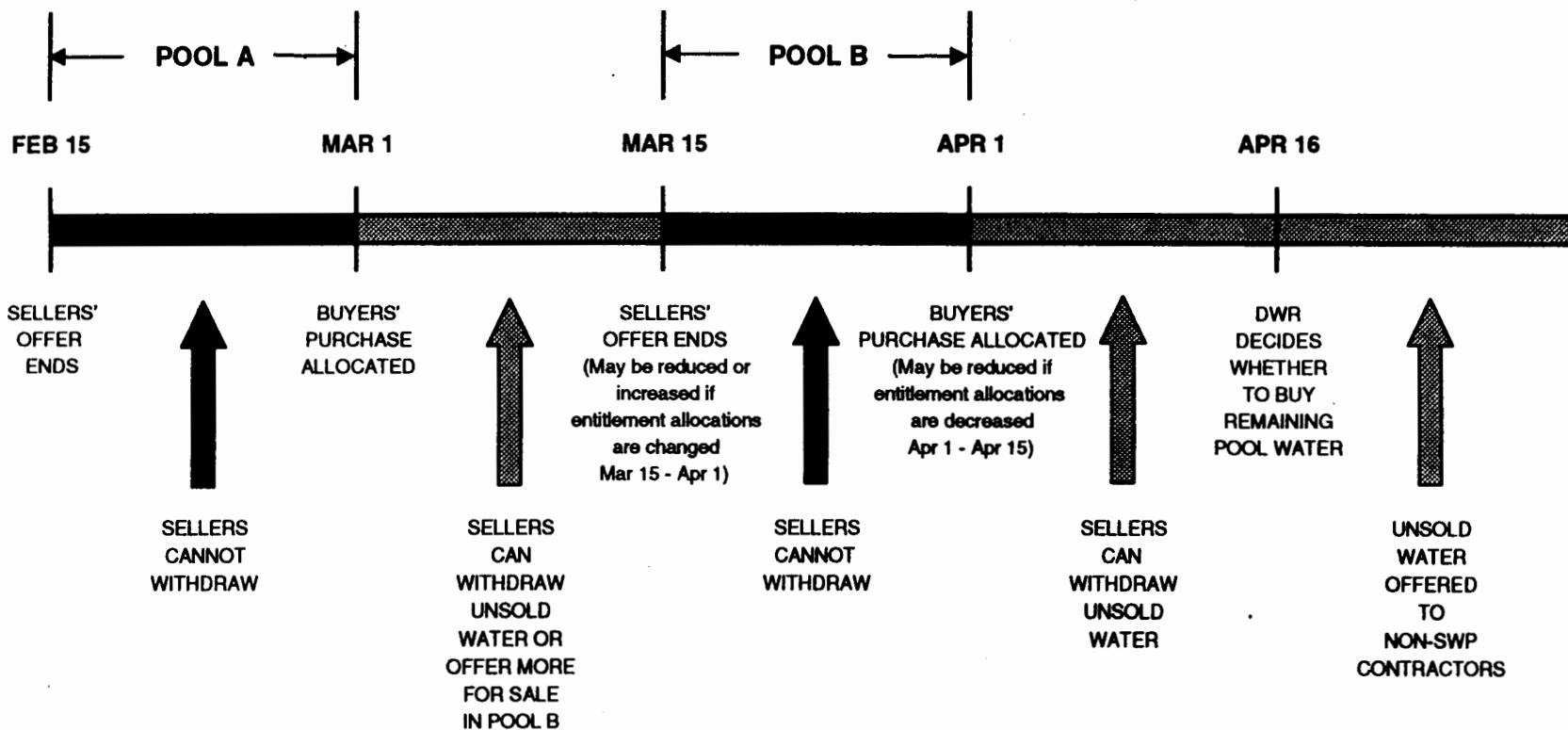
Pursuant to Article 56 of the Water Supply Contracts, the Department of Water Resources is offering interested contractors who have signed the Monterey Amendment the opportunity to participate in two turn-back pools. There will be a Pool A and a Pool B. A participating State Water Project contractor may sell allocated 2001 entitlement water that it will not use provided that (1) the contractor has not elected to store project water outside its service area in 2001, and (2) the contractor has not elected to carry over entitlement water from 2000. These turn-back pools are separate from any water purchase program the Department may administer during 2001.

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 it to Dan Flory, 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, 2001. 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 Dan Flory at (916) 653-4313 or Miguel De Anda of his staff at (916) 653-7355.

Attachments

2001 TURN-BACK POOL SCHEDULE



2001 Turn-Back Water Pool Program

Attachment B

Criteria

1. The program is available to contractors that have signed the Monterey Amendment. The 2001 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 2001.
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 2001 Table A entitlement. Delivery priority of turn-back water in excess of the contractor's Table A entitlement will be Priority 6.
5. Turn-back water may be stored outside 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

1. A contractor offering to sell turn-back water in Pool A must notify the Department in writing on or before February 15, 2001 (see attached letter for acceptable notification format). 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.
2. 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 \$11.98 for each acre-foot of water purchased (50 percent of the Delta Water Rate).

3. All sales and purchases through Pool A are irrevocable even if the Department reduces entitlement allocations on or after February 15.
4. The Department will notify all participating contractors of Pool A sales on or before March 6. For any water that remains unsold in Pool A, the offering contractor may cancel its offer to sell its share of unsold water in writing no later than March 15.
5. 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 can 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 20.
6. 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. Since April 1 falls on a Sunday, offers to buy turn-back water can be faxed to SWPAO at (916) 653-9628. The price for such water will be \$5.99 for each acre-foot of water purchased (25 percent of the Delta Water Rate).
7. 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 unless notified by the selling contractor.
8. 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 16.
9. If the Department reduces entitlement allocations between April 1 and April 16, and there is no unsold Pool B water remaining on April 16, the Pool B sales for each seller will be reduced by the same amount the seller's approved allocations are reduced, unless notified by the selling contractor, and the Department will reallocate the sales and purchases of Pool B and notify all participating contractors by April 20.

10. No reallocation of sales or purchases will be done after April 16.
11. The Department shall decide on April 16 whether to purchase any portion of unsold Pool B water remaining on that date.
12. A contractor selling or purchasing turn-back pool water will be required to enter into written agreements with the Department.
13. 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.
14. The purchasing contractor shall pay the Department the 2001 Transportation Variable Operations, Maintenance, Power, and Replacement Component charges and the Off-Aqueduct Power Facilities Charges for turn-back pool water delivered and any incremental costs identified by the Department as described in Article 56(d)(7).
15. The 2001 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 as instructed in the transmittal letter. A contractor's signature indicates acceptance of the criteria, procedures, and charges for this program.

ACCEPTED:

AGENCY

DATE

AUTHORIZED REPRESENTATIVE

Attachment
(Written Notice Example)

DATE

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

Dear Mr. Flory:

Enclosed is the signed 2001 Turn-Back Water Pool Program attachment to the State Water Project Contractor Notice No. 01-02, 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 2001 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



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01 - 05

DATE: FEB 20, 2001

SUBJECT: Article 21 Water Program
for 2001

FROM: Signed: Steve Macaulay For
DEPUTY DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources will administer a program in 2001 in accordance with Article 21 of the long-term Water Supply Contracts. Due to the current water conditions and storage in the San Luis Reservoir, Article 21 water may only be available to water contractors north of the Delta. Article 21 water for contractors South of the Delta may become available if water conditions improve. The 2001 Article 21 Water Program is available to those State Water Project contractors who have signed the Monterey Amendment and is subject to the attached criteria, scheduling, and charges.

To participate in the 2001 Program and be on the notification list, a contractor must sign and date the attachment to this notice and return the attachment to Nancy Quan, 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 Nancy Quan at (916) 653-0190 or Miguel DeAnda at (916) 653-7355.

Attachment

ARTICLE 21 WATER PROGRAM FOR 2001

Criteria

1. Contractors can take delivery of Article 21 water in addition to presently approved amounts of 2001 entitlement water. Deliveries under this Program may result in a contractor receiving water in 2001 above Table A amounts.
2. Article 21 water will be delivered for use within the service area of a requesting contractor for the same reasonable and beneficial uses as entitlement water.
3. Delivery of Article 21 water shall not impact allocation or delivery of entitlement water to contractors in 2001.
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 Article 21 water is not intended in any way to adversely impact any SWP operations. If the Department determines there has been an adverse impact during the period when Article 21 water is being delivered to a contractor, Article 21 water may be reclassified as 2001 scheduled entitlement to keep the Project whole.
7. Article 21 water shall not be stored by the Department in Project reservoirs for later delivery to a requesting contractor.

8. This Program is not intended to allow a contractor to shift or defer delivery of allocated scheduled 2001 entitlement and substitute delivery of Article 21 water for 2001 entitlement water in a way that would adversely impact delivery of entitlement water to other contractors in 2001 or in any subsequent year, or adversely affect Project storage of water.

Scheduling and charges

9. Participating contractors shall request 2001 Article 21 water by submitting a weekly schedule to the State Water Project Analysis Office by FAX at (916) 653-9628, attention: Miguel DeAnda. Schedules shall be submitted by 10 a.m. Wednesday for the following Monday through Sunday. The weekly schedule shall include a statement identifying the intended use of the Article 21 water.
10. If necessary, the supply of Article 21 water will be allocated among requesting contractors in proportion to the 2001 Table A entitlements of those contractors.
11. The Department may determine the availability of Article 21 water on a daily basis and may discontinue delivery upon short notice.
12. A contractor taking delivery of Article 21 water may stop or suspend participation in the Program by notifying Miguel DeAnda at (916) 653-7355 or by FAX at (916) 653-9628.
13. Conveyance charges for Article 21 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 2001 Article 21 Water Program shall not be a precedent for future programs.

In order to obtain a supply of Article 21 water in 2001, 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



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-06

DATE: MAR 12 2001

SUBJECT: Criteria for Bulletin 132-01

FROM:

[Signature]
Director, Department of Water Resources

Attached for your information are copies of "Criteria for Bulletin 132-2001 Project Operation Studies" and "Interest and Escalation Rates for Preparing Bulletin 132-2001."

These criteria are being used by the Department of Water Resources to prepare information for Bulletin 132-2001, "Management of the California State Water Project" and to determine Water Contractors' Statements of Charges for the year 2002.

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

Attachment

**CRITERIA FOR BULLETIN 132-2001
PROJECT OPERATIONS STUDIES**

1. **Water Deliveries.** Water demands for the water operation studies will be based on the short-range, five-year (2001-2005) requests submitted by the contractors in October 2000 and the long-range (2006-2035) requests submitted by the water contractors in October 2000.

2. **Water Supply.** The water and power studies will reflect compliance with the 1995 modification of SWRCB Decision 1485 (June 8, 1995, Order 95-6), the 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) 2001 – The initial operations study for 2001 will assume hydrology sufficient to deliver 4.22 MAF (includes 0.31 MAF of “sellers water” to be stored in San Luis Reservoir and made available for later delivery to buyers and provides for 0.91 MAF of 2001-2002 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 2001 water deliveries and water and power operations studies will be reviewed and finalized in March 2001 when the water supply forecast based on March 1, 2001 snow surveys becomes available.
 - (b) 2002 – State Water Project operations projected for 2002 are the basis for the 2002 Statements of Charges. The study will assume hydrology sufficient to deliver 3.90 MAF (contractors’ projected entitlement requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
 - (c) 2003 – The 2003 studies will assume hydrology sufficient to deliver 3.91 MAF (contractors’ projected entitlement requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
 - (d) 2004 – Assume hydrology sufficient to deliver contractors’ projected entitlement requests of 3.90 MAF.
 - (e) 2005 – Assume hydrology sufficient to deliver contractors’ projected entitlement requests of 3.99 MAF.
 - (f) 2006 and thereafter – Assume hydrology sufficient to deliver contractors’ projected entitlement requests of 4.00 MAF.

3. **Future Project Facilities.** The schedule for initial operation of future project facilities to be used when preparing information for Bulletin 132-2001 is shown in the table on page 4.

4. **Water Supply Augmentation**

(a) **Delta Pumps.** The total capacity of Banks Pumping Plant is 10,300 cfs; however, actual daily pumping volumes will be limited to the requirements specified in the U.S. Army Corps of Engineers permit (Public Notice 5820A, amended October 1981).

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

- Construction of up to four control structures. Up to three barriers are proposed in south Delta channels to control water levels and circulation in the south Delta. The fourth barrier will provide protection for salmon migrating along the San Joaquin River.
- DWR will acquire a U.S. Army Corps of Engineers permit under Section 10 of the Rivers and Harbors Act to enable increased diversions into Clifton Court Forebay to match the existing maximum pumping capability of 10,300 cfs at Banks Pumping Plant. The additional diversion capacity will increase SWP delivery capability and operational flexibility by enabling more water to be diverted when impacts to Delta fish are less.
- Construction of a new intake at the northeast or northwest corner of Clifton Court. If the northwest location is chosen, the intake structure will either include a large siphon under Italian Slough or require realignment of Italian Slough around the new intake facilities. Selected dredging is required in Old River from the new intake location to Woodward Canal to enlarge channel capacity in the vicinity of the new intake. In addition, SDIP currently calls for construction of new fish screening facilities at the new Clifton Court Forebay intake; however, the costs of the fish facilities would not be paid for with Project funds.
- Selected channel dredging in the south Delta and modification of local diversion structures. The magnitude of this activity will depend on whether a three agricultural barrier, two agricultural barrier (no Grantline Canal barrier), or no agricultural barrier configuration is selected as the preferred alternative for SDIP.

- (c) 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 15,000 acre-feet under the recovery agreement with KCWA.
- (d) Other Project Yield. For purposes of preparing water and power studies for future years, it will be assumed that the Project will deliver full 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. Despite recent market issues, this pattern is assumed to continue under the deregulated energy market. The aqueduct operation will be optimized to reduce power costs by minimizing on-peak and summer pumping within the constraints of operating criteria.

For Bulletin 132-2001, 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 2001 and after, projected energy deficits will be met with spot market energy purchases based on prices in the California Power Exchange.

FUTURE PROJECT FACILITIES	Dates for Initial Operation	
	Bulletin 132-2000	Bulletin 132-2001
CALIFORNIA AQUEDUCT-EAST BRANCH	Bulletin 132-2000	Bulletin 132-2001
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 *
East Branch Extension - Phase I	June 2002	December 2002
CALIFORNIA AQUEDUCT-WEST BRANCH		
West Branch Enlargement Peace Valley Pipeline - second barrel	Not Scheduled	Not Scheduled
Warne Powerplant - additional units	Not Scheduled	Not Scheduled
Gorman Creek Channel Modification	November 2001	Deferred **
DELTA FACILITIES		
Interim South Delta Facilities Additional Intake - Clifton Court Forebay Permanent Control Structures	July 2007 December 2006	July 2006 December 2007
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 132-2001 because of uncertainty of scheduling.

** Lack of staff.

TABLE 1
INTEREST RATES TO BE USED IN PREPARING DATA AND
INFORMATION FOR BULLETIN 132-2001
WATER CONTRACTORS' STATEMENTS OF CHARGES FOR 2002, AND
DEPARTMENT FINANCIAL ANALYSIS STUDIES

<u>Item</u>	<u>Interest Rate¹⁾</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 2002	4.615% (4.615%)
4. Interest rate on future short-term investment of project funds ⁴⁾	6.5% (6.5%)

-
- 1) For the purposes of Department studies, these rates are to be used as the effective rates of interest. Figures in parentheses are Bulletin 132-2000 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 132-2001
COST ESCALATION RATES
FOR SWP FACILITIES
TO BE USED FOR FINANCIAL ANALYSIS STUDIES

<u>Item</u>	<u>Percent Increase</u> <u>Per Year</u> ^{1), 2)}			
	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004-2035</u>
<u>Capital Costs</u>				
<u>State Operations</u>				
(Salaries and Benefits)	5 (5)	5 (5)	5 (5)	5 (5)
Construction, Direct Pay	3 (3)	3 (3)	4 (4)	4 (4)
Relocation, Direct Pay	4 (4)	4 (4)	4 (4)	4 (4)
Land and Rights, Direct Pay	4 (4)	4 (4)	4 (4)	4 (4)
<u>Operations and Maintenance Cost</u> ³⁾				
<u>State Operations</u>				
(Salaries and Benefits)	5 (5)	5 (5)	5 (5)	5 (5)

-
- 1) Statements of Charges for the year 2002 and Bulletin 132-2001 will be based on unescalated January 1, 2001 capital costs.
 - 2) All figures in parentheses were Bulletin 132-2000 assumptions.
 - 3) Operation and Maintenance costs in the Statements of Charges for the year 2002 and in Bulletin 132-2001 are to be escalated through 2003 and held at that level for the remainder of the Project repayment period. For specific Project studies requiring escalated costs, continue the percent rate for 2004-2035.



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-07

DATE: MAR 06, 2001

SUBJECT: 2001 Entitlement
Allocation Increase

FROM: Signed: Thomas M. Hannigan
DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is increasing the 2001 allocation of entitlement water for long-term State Water Project contractors from 824,000 acre-feet to 1.03 million acre-feet. Based on water in storage and an updated snow survey as of February 20, 2001, SWP supplies are projected to meet 25 percent of most SWP contractors' 2001 Table A entitlements totaling 4.12 MAF. A table reflecting the new 2001 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 2001. 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 2001 calendar year, SWP operational constraints, and 2001 contractors demands.

Following the initial December 1, 2000 allocation, the weather pattern was dry well into February. The recent storms that occurred up to February 20 are reflected in this allocation update. Major storms from February 20 through the end of February have improved SWP water supply projections and will be reflected in the Department's next update, which is planned for mid-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 Dan Flory, Chief of the Department's State Water Project Analysis Office at (916) 653-4313, or you may call Nancy Quan of his staff at (916) 653-0190.

Enclosure

2001 STATE WATER PROJECT ALLOCATION

March 5, 2001

SWP CONTRACTORS	2001 ENTITLEMENT			
	TABLE A	INITIAL	APPROVED	PERCENT
	(AF)	REQUEST	ALLOCATION	APPROVED
(1)	(AF)	(AF)	(3)/(2)	
(1)	(2)	(3)	(4)	
FEATHER RIVER				
County of Butte	3,500	3,500	875	25%
Plumas County FC&WCD	1,570	1,570	551	35%
City of Yuba City	9,600	9,600	2,400	25%
Subtotal	14,670	14,670	3,826	
NORTH BAY				
Napa County FC&WCD	20,725	20,725	5,181	25%
Solano County WA	45,836	45,836	11,459	25%
Subtotal	66,561	66,561	16,641	
SOUTH BAY				
Alameda County FC&WCD, Zone 7	78,000	78,000	19,500	25%
Alameda County WD	42,000	42,000	10,500	25%
Santa Clara Valley WD	100,000	100,000	25,000	25%
Subtotal	220,000	220,000	55,001	
SAN JOAQUIN VALLEY				
Oak Flat WD	5,700	5,700	1,425	25%
County of Kings	4,000	4,000	1,000	25%
Castaic Lake WA	12,700	12,700	3,175	25%
Dudley Ridge WD	53,370	53,370	13,343	25%
Empire West Side ID	3,000	3,000	0	0%
Kern County WA	1,000,949	1,000,949	250,237	25%
Tulare Lake Basin WSD	118,500	118,500	29,625	25%
Subtotal	1,198,219	1,198,219	298,805	
CENTRAL COASTAL				
San Luis Obispo County FC&WCD	25,000	25,000	6,250	25%
Santa Barbara County FC&WCD	45,486	45,486	11,372	25%
Subtotal	70,486	70,486	17,621	
SOUTHERN CALIFORNIA				
Antelope Valley-East Kern WA	138,400	138,400	34,600	25%
Castaic Lake WA	82,500	82,500	20,625	25%
Coachella Valley WD	23,100	23,100	5,775	25%
Crestline-Lake Arrowhead WA	5,800	5,800	1,450	25%
Desert WA	38,100	38,100	9,525	25%
Littlerock Creek ID	2,300	2,300	575	25%
Mojave WA	75,800	75,800	18,950	25%
Metropolitan WDSC	2,011,500	2,011,500	502,875	25%
Palmdale WD	21,300	21,300	5,325	25%
San Bernardino Valley MWD	102,600	102,600	25,650	25%
San Gabriel Valley MWD	28,800	28,800	7,200	25%
San Geronio Pass WA	4,000	4,000	1,000	25%
Ventura County FCD	20,000	20,000	5,000	25%
Subtotal	2,554,200	2,554,200	638,549	
TOTAL	4,124,136	4,124,136	1,030,443	



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-08

DATE: MAR 9, 2001

SUBJECT: 2001 Turn-Back Water
Pool A Results

FROM: Signed: Stephen L. Kashiwada For
DEPUTY DIRECTOR, DEPARTMENT OF WATER RESOURCES

Pool A of the 2001 Turn-Back Water Pool Program closed on March 1, 2001. Eight State Water Project contractors purchased all of the 3,800 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 by March 15, 2001. Contractors will be notified of the availability of water for sale through Pool B on or before March 20. As stated in Notice 01-04, submittals can be faxed to the State Water Project Analysis Office at (916) 653-9628.

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

Attachment

**2001 TURN-BACK WATER POOL A
RESULTS**

SWP CONTRACTORS	Requested	2001 ENTITLEMENT TABLE A	Pool A	
			Sell	Buy
<u>SOUTH BAY</u>				
Alameda County WD	3,800	42,000		104
<u>SAN JOAQUIN VALLEY</u>				
Castaic Lake WA	1,000	95,200		236
Dudley Ridge WD	13,600	53,370		132
Kern County WA	maximum	1,000,949		2,483
Tulare Lake Basin WSD	145,600	118,500		294
<u>CENTRAL COASTAL</u>				
Santa Barbara County FC&WCD	3,800	45,486		113
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	maximum	138,400		343
Desert WA	maximum	38,100		95
San Geronio Pass WA			800	
Ventura County FCD			3,000	
Total Table A for Buyers		1,532,005	3,800	3,800



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-09

DATE: MAR 16, 2001

SUBJECT: Carryover Water Program
2001

FROM: Signed: Frank L. Conti For
DEPUTY DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources anticipates that the State's portion of San Luis Reservoir will be full sometime next week. Approximately 10 percent of the stored water in San Luis is long-term carryover entitlement water previously requested by some contractors under Article 56(c) of the Water Supply Contracts.

This is to notify contractors with stored long-term carryover water that the reservoir space available for such programs will soon be needed for storing 2001 State Water Project water. These contractors should take delivery of their 2000 water for use within their service areas or for programs outside their service areas, which have been approved by the Department, or they risk losing their carryover water. Upon the filling of the State's portion of San Luis Reservoir, available space for carryover water will be reduced at a daily rate equivalent to the Department's theoretical ability to store additional water.

Article 21 water is projected to be available south of the Delta on Monday, March 19, 2001. The Department will determine the availability of Article 21 water on a daily basis and will keep participating contractors informed.

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



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-10

DATE: MAR 15, 2001

SUBJECT: 2001 Entitlement
Allocation Increase to 30%

FROM: Signed: Thomas M. Hannigan
DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is increasing the 2001 allocation of entitlement water for long-term State Water Project contractors from 1.03 million acre-feet to 1.24 million acre-feet. Based on water in storage and an updated snow survey as of March 1, 2001, SWP supplies are projected to meet 30 percent of most SWP contractors' 2001 Table A entitlements up to their requested amount. A table reflecting the new 2001 SWP allocation of entitlement water is attached.

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

Attachment

2001 STATE WATER PROJECT ALLOCATION

March 14, 2001

SWP CONTRACTORS	2001 ENTITLEMENT			
	TABLE A	INITIAL	APPROVED	PERCENT
	(AF)	REQUEST	ALLOCATION	APPROVED
	(1)	(2)	(3)	(3)/(2)
			(3)	(4)
FEATHER RIVER				
County of Butte	3,500	3,500	1,050	30%
Plumas County FC&WCD	1,570	1,570	662	42%
City of Yuba City	9,600	9,600	2,880	30%
Subtotal	14,670	14,670	4,592	
NORTH BAY				
Napa County FC&WCD	20,725	20,725	6,218	30%
Solano County WA	45,836	45,836	13,751	30%
Subtotal	66,561	66,561	19,969	
SOUTH BAY				
Alameda County FC&WCD, Zone 7	78,000	78,000	23,400	30%
Alameda County WD	42,000	42,000	12,600	30%
Santa Clara Valley WD	100,000	100,000	30,000	30%
Subtotal	220,000	220,000	66,001	
SAN JOAQUIN VALLEY				
Oak Flat WD	5,700	5,700	1,710	30%
County of Kings	4,000	4,000	1,200	30%
Castaic Lake WA	12,700	12,700	3,810	30%
Dudley Ridge WD	53,370	53,370	16,011	30%
Empire West Side ID	3,000	3,000	0	0%
Kern County WA	1,000,949	1,000,949	300,285	30%
Tulare Lake Basin WSD	118,500	118,500	35,550	30%
Subtotal	1,198,219	1,198,219	358,566	
CENTRAL COASTAL				
San Luis Obispo County FC&WCD	25,000	25,000	7,500	30%
Santa Barbara County FC&WCD	45,486	45,486	13,646	30%
Subtotal	70,486	70,486	21,145	
SOUTHERN CALIFORNIA				
Antelope Valley-East Kern WA	138,400	138,400	41,520	30%
Castaic Lake WA	82,500	82,500	24,750	30%
Coachella Valley WD	23,100	23,100	6,930	30%
Crestline-Lake Arrowhead WA	5,800	5,800	1,740	30%
Desert WA	38,100	38,100	11,430	30%
Littlerock Creek ID	2,300	2,300	690	30%
Mojave WA	75,800	75,800	22,740	30%
Metropolitan WDSC	2,011,500	2,011,500	603,450	30%
Palmdale WD	21,300	21,300	6,390	30%
San Bernardino Valley MWD	102,600	102,600	30,780	30%
San Gabriel Valley MWD	28,800	28,800	8,640	30%
San Geronio Pass WA	4,000	4,000	1,200	30%
Ventura County FCD	20,000	20,000	6,000	30%
Subtotal	2,554,200	2,554,200	766,259	
TOTAL	4,124,136	4,124,136	1,236,532	



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-11

DATE: April 6, 2001

SUBJECT: 2001 Turn-back Water
Pool Program Results

FROM: (sgd) Frank L. Conti for

DEPUTY DIRECTOR, DEPARTMENT OF WATER RESOURCES

The entire 18,240 acre-feet of water offered through Pool A and Pool B of the 2001 Turn-back Water Pool Program was sold to State Water Project contractors. Seven contractors purchased all of the 3,800 acre-feet of water offered through Pool A, and 13 contractors purchased all of the 14,440 acre-feet of water offered through Pool B. Because of a change in the buyers, Pool A results were revised from Notice 01-08. Requests for Pool B closed April 1, 2001. The attached table shows the offers and allocations of pool water.

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

If you have any questions regarding the 2001 Turn-back Water Pool Program, please contact Dan Flory, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313 or you may call Nancy Quan of his staff at (916) 653-0190.

Attachment

2001 Turn-Back Water Pool Program Results (acre-feet)

PARTICIPATING SWP CONTRACTORS	TABLE A	Pool A		Pool B	
		Sell	Buy	Sell	Buy
<u>NORTH BAY</u>					
Napa County FC&WCD	20,725				82
<u>SOUTH BAY</u>					
Alameda County FC&WCD, Zone 7	78,000				308
Alameda County WD	42,000		107		
<u>SAN JOAQUIN VALLEY</u>					
Oak Flat WD	5,700				22
Castaic Lake WA	12,700		32		50
Dudley Ridge WD	53,370		136		211
Kern County WA	1,000,949		2,546		3,956
Tulare Lake Basin WSD	118,500		301		468
<u>CENTRAL COASTAL</u>					
San Luis Obispo County FC&WCD	25,000				99
Santa Barbara County FC&WCD	45,486		116		180
<u>SOUTHERN CALIFORNIA</u>					
Antelope Valley-East Kern WA	138,400		352		547
Castaic Lake WA	82,500		210		326
Coachella Valley WD	23,100				91
Desert WA	38,100				151
Mojave WA	75,800			14,240	
Metropolitan WDSC	2,011,500				7,949
San Geronio Pass WA	4,000	800		200	
Ventura County FCD	20,000	3,000			
TOTAL		3,800	3,800	14,440	14,440



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-12

DATE: May 4, 2001

SUBJECT: 2001 Entitlement Allocation
Increase to 33 Percent

Original Signed by

FROM: _____

DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is increasing the 2001 allocation of entitlement water for long-term State Water Project contractors from 1.24 million acre-feet to 1.38 million acre-feet. Based on water in storage and an updated water supply forecast, SWP supplies are projected to meet 33 percent of most SWP contractors' 2001 Table A entitlements. The Department will review the allocation again when the May snow survey data is analyzed. A table reflecting the new 2001 SWP allocation of entitlement water is attached.

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

Attachment

2001 STATE WATER PROJECT ALLOCATION

May 1, 2001

SWP CONTRACTORS	2001 ENTITLEMENT			
	TABLE A (1)	INITIAL REQUEST (AF) (2)	APPROVED ALLOCATION (AF) (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	3,500	3,500	1,172	33%
Plumas County FC&WCD	1,570	1,570	739	47%
City of Yuba City	9,600	9,600	3,214	33%
Subtotal	14,670	14,670	5,124	
<u>NORTH BAY</u>				
Napa County FC&WCD	20,725	20,725	6,939	33%
Solano County WA	45,836	45,836	15,346	33%
Subtotal	66,561	66,561	22,286	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	78,000	78,000	26,115	33%
Alameda County WD	42,000	42,000	14,062	33%
Santa Clara Valley WD	100,000	100,000	33,481	33%
Subtotal	220,000	220,000	73,659	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	1,908	33%
County of Kings	4,000	4,000	1,339	33%
Castaic Lake WA	12,700	12,700	4,252	33%
Dudley Ridge WD	53,370	53,370	17,869	33%
Empire West Side ID	3,000	3,000	0	0%
Kern County WA	1,000,949	1,000,949	335,125	33%
Tulare Lake Basin WSD	118,500	118,500	39,675	33%
Subtotal	1,198,219	1,198,219	400,168	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	8,370	33%
Santa Barbara County FC&WCD	45,486	45,486	15,229	33%
Subtotal	70,486	70,486	23,598	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	138,400	138,400	46,337	33%
Castaic Lake WA	82,500	82,500	27,622	33%
Coachella Valley WD	23,100	23,100	7,734	33%
Crestline-Lake Arrowhead WA	5,800	5,800	1,942	33%
Desert WA	38,100	38,100	12,756	33%
Little Rock Creek ID	2,300	2,300	770	33%
Mojave WA	75,800	75,800	25,378	33%
Metropolitan WDSC	2,011,500	2,011,500	673,465	33%
Palmdale WD	21,300	21,300	7,131	33%
San Bernardino Valley MWD	102,600	102,600	34,351	33%
San Gabriel Valley MWD	28,800	28,800	9,642	33%
San Geronio Pass WA	4,000	4,000	1,339	33%
Ventura County FCD	20,000	20,000	6,696	33%
Subtotal	2,554,200	2,554,200	855,164	
TOTAL	4,124,136	4,124,136	1,380,000	



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-13

DATE: May 17, 2001

SUBJECT: 2001 Entitlement
Allocation Increase to 35 Percent

FROM: Original Signed by
DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is increasing the 2001 allocation of entitlement water for long-term State Water Project contractors from 1.38 million acre-feet to 1.44 million acre-feet. Based on the May 1, 2001 snow survey and water in storage, SWP supplies are projected to meet 35 percent of most SWP contractors' 2001 Table A entitlements. A table reflecting the new 2001 SWP allocation of entitlement water is attached.

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

Attachment

**2001 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)**

SWP CONTRACTORS	2001 ENTITLEMENT			
	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	3,500	3,500	1,225	35%
Plumas County FC&WCD	1,570	1,570	772	49%
City of Yuba City	9,600	9,600	3,360	35%
Subtotal	14,670	14,670	5,357	
<u>NORTH BAY</u>				
Napa County FC&WCD	20,725	20,725	7,254	35%
Solano County WA	45,836	45,836	16,043	35%
Subtotal	66,561	66,561	23,297	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	78,000	78,000	27,300	35%
Alameda County WD	42,000	42,000	14,700	35%
Santa Clara Valley WD	100,000	100,000	35,000	35%
Subtotal	220,000	220,000	77,001	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	1,995	35%
County of Kings	4,000	4,000	1,400	35%
Castaic Lake WA	12,700	12,700	4,445	35%
Dudley Ridge WD	53,370	53,370	18,680	35%
Empire West Side ID	3,000	3,000	0	0%
Kern County WA	1,000,949	1,000,949	350,332	35%
Tulare Lake Basin WSD	118,500	118,500	41,475	35%
Subtotal	1,198,219	1,198,219	418,327	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	8,750	35%
Santa Barbara County FC&WCD	45,486	45,486	15,920	35%
Subtotal	70,486	70,486	24,669	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	138,400	138,400	48,440	35%
Castaic Lake WA	82,500	82,500	28,875	35%
Coachella Valley WD	23,100	23,100	8,085	35%
Crestline-Lake Arrowhead WA	5,800	5,800	2,030	35%
Desert WA	38,100	38,100	13,335	35%
Littlerock Creek ID	2,300	2,300	805	35%
Mojave WA	75,800	75,800	26,530	35%
Metropolitan WDSC	2,011,500	2,011,500	704,025	35%
Palmdale WD	21,300	21,300	7,455	35%
San Bernardino Valley MWD	102,600	102,600	35,910	35%
San Gabriel Valley MWD	28,800	28,800	10,080	35%
San Geronio Pass WA	4,000	4,000	1,400	35%
Ventura County FCD	20,000	20,000	7,000	35%
Subtotal	2,554,200	2,554,200	893,969	
TOTAL	4,124,136	4,124,136	1,442,620	

DEPARTMENT OF WATER RESOURCES FAX

DATE: May 17, 2001 NUMBER OF PAGES, INCLUDING FAX COVER SHEET: 3

EMAIL TO: All State Water Project Contractors

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Alameda County Flood Control and Water Conservation District - Dale Myers 2. Alameda County Water District - Karl B. Stinson 3. Antelope Valley-East Kern Water Agency - Russell Fuller 4. Castaic Lake Water Agency - Robert C. Sagehorn 5. City of Yuba – William Lewis 6. Coachella Valley Water District - Thomas E. Levy 7. County of Butte - Ed Craddock, Vickie Newlin (FAX) 8. County of Kings - Larry Spikes (FAX) 9. Crestline-Lake Arrowhead Water Agency - Roxanne M. Holmes (FAX) 10. Desert Water Agency - Dan M. Ainsworth 11. Dudley Ridge Water District - Dale Melville 12. Empire West Side Irrigation District - John Hattesen (FAX) 13. Kern County Water Agency - Thomas N. Clark 14. Littlerock Creek Irrigation District - Brad Bones 15. Metropolitan Water District of Southern California - Stephen N. Arakawa, Dirk Marks, Christiana Kuewa 16. Mojave Water Agency - Kirby Brill 17. Napa County Flood Control and Water Conservation District - Robert J. Peterson 18. Oak Flat Water District - William D. Harrison | <ol style="list-style-type: none"> 19. Palmdale Water District - Dennis LaMoreaux 20. Plumas County Flood Control and Water Conservation District - Tom Hunter (FAX) 21. San Bernardino Valley Municipal Water District - Randy Van Gelder 22. San Gabriel Valley Municipal Water District - James E. Frei 23. San Geronio Pass Water Agency - Stephen P. Stockton 24. San Luis Obispo County Flood Control and Water Conservation District – Christina Ferrera 25. Santa Barbara County Flood Control and Water Conservation District - Robert B. Almy (FAX) 26. Central Coast Water Authority - Dan Masnada 27. Santa Clara Valley Water District - Stanley M. Williams, Frank S. Cotton 28. Solano County Water Agency - David B. Okita, Roland Sanford 29. Tulare Lake Basin Water Storage District - Brent L. Graham 30. Ventura County Flood Control District - Casitas Municipal Water District - John Johnson (FAX) 31. State Water Contractors - John Coburn |
|--|--|

FAX TO: DWR STAFF

- | | |
|---|--|
| <ol style="list-style-type: none"> 1. George Anderson/Dave Duval-Delta 2. Harold Mahan/G.Gorden-SJFD 3. Gary Riddle/Paula Landis-SJD | <ol style="list-style-type: none"> 4. T. Young/Chief-SLFD 5. Janet Rollins/Chief-SFD 6. Carl Torgersen 7. Peggy Bernardy 8. Dave Starks |
|---|--|

cc: Steve Macaulay, Stephen Kashiwada, and Jonas Minton

FAX FROM:

Dan Flory, Chief, State Water Project Analysis Office
Department of Water Resources
1416 Ninth Street, P.O. Box 942836 / Sacramento, California 94236-0001

COMMENTS:

35% ALLOCATIONS

Attached is a copy of the Notice to State Water Project Contractors No. 01-13 regarding the year 2001 entitlement allocation increase from 33% to 35%.

If you have problems with receiving this email, please call Miguel De Anda at (916) 653-7355. Notice was sent via email unless otherwise noted above in Contractor list.

Attachment

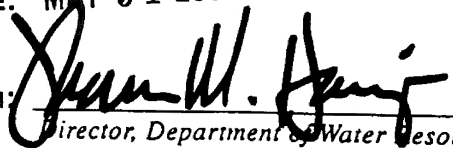


NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-14

DATE: MAY 31 2001

SUBJECT: Central Valley Project Water
System Revenue Bonds Series W

FROM: 
Director, Department of Water Resources

The Department of Water Resources issued Central Valley Project Water System Revenue Bonds Series W on May 1, 2001 in the amount of \$260,995,000 at a combined true interest cost of 5.0479 percent and an average yield of 5.0293 percent. This Bond Series refunds \$206,790,000 of Series J Bonds, retires \$40.9 million of commercial paper, and funds the debt service reserve required under the bond covenants. The refunding has a net present value savings to the State Water Contractors of approximately \$15.5 million.

The Series J Bonds, originally issued on January 1, 1992 for a total of \$649,835,000 at an interest rate of 5.999 percent, were used to fund various projects including Pyramid power facilities, Reid Gardner power plant, South Geysers and Bottle Rock geothermal plants, Alamo power facilities, East Branch Enlargement and other water system facilities. Prior to Series W, the Department refunded portions of the Series J Bonds with Series Q, S, and U Revenue Bonds.



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-15

DATE: August 16, 2001

SUBJECT: 2001 Entitlement Allocation
Increase to 39 Percent

FROM: 
DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is increasing the 2001 allocation of entitlement water for long-term State Water Project contractors from 1.44 million acre-feet to 1.61 million acre-feet. Based on water in storage and the latest allocation study, SWP supplies are projected to meet 39 percent of most SWP contractors' 2001 Table A entitlements. A table reflecting the new 2001 SWP allocation of entitlement water is attached.

If you need additional information or would like to discuss this further, please contact Dan Flory, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313, or you may call Nancy Quan of his staff at (916) 653-0190.

Attachment

2001 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)

SWP CONTRACTORS	2001 ENTITLEMENT			
	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
FEATHER RIVER				
County of Butte	3,500	3,500	1,365	39%
Plumas County FC&WCD	1,570	1,570	838	53%
City of Yuba City	9,600	9,600	3,744	39%
Subtotal	14,670	14,670	5,947	
NORTH BAY				
Napa County FC&WCD	20,725	20,725	8,083	39%
Solano County WA	45,836	45,836	17,876	39%
Subtotal	66,561	66,561	25,960	
SOUTH BAY				
Alameda County FC&WCD, Zone 7	78,000	78,000	30,420	39%
Alameda County WD	42,000	42,000	16,380	39%
Santa Clara Valley WD	100,000	100,000	39,000	39%
Subtotal	220,000	220,000	85,801	
SAN JOAQUIN VALLEY				
Oak Flat WD	5,700	5,700	2,223	39%
County of Kings	4,000	4,000	1,560	39%
Castaic Lake WA	12,700	12,700	4,953	39%
Dudley Ridge WD	53,370	53,370	20,814	39%
Empire West Side ID	3,000	3,000	101	3%
Kern County WA	1,000,949	1,000,949	390,370	39%
Tulare Lake Basin WSD	118,500	118,500	46,215	39%
Subtotal	1,198,219	1,198,219	466,237	
CENTRAL COASTAL				
San Luis Obispo County FC&WCD	25,000	25,000	9,750	39%
Santa Barbara County FC&WCD	45,486	45,486	17,740	39%
Subtotal	70,486	70,486	27,489	
SOUTHERN CALIFORNIA				
Antelope Valley-East Kern WA	138,400	138,400	53,976	39%
Castaic Lake WA	82,500	82,500	32,175	39%
Coachella Valley WD	23,100	23,100	9,009	39%
Crestline-Lake Arrowhead WA	5,800	5,800	2,262	39%
Desert WA	38,100	38,100	14,859	39%
Littlerock Creek ID	2,300	2,300	897	39%
Mojave WA	75,800	75,800	29,562	39%
Metropolitan WDSC	2,011,500	2,011,500	784,485	39%
Palmdale WD	21,300	21,300	8,307	39%
San Bernardino Valley MWD	102,600	102,600	40,014	39%
San Gabriel Valley MWD	28,800	28,800	11,232	39%
San Geronio Pass WA	4,000	4,000	1,560	39%
Ventura County FCD	20,000	20,000	7,800	39%
Subtotal	2,554,200	2,554,200	996,137	
TOTAL	4,124,136	4,124,136	1,607,570	

DEPARTMENT OF WATER RESOURCES

EMAIL

DATE: Oct 19, 2001 NUMBER OF PAGES, INCLUDING EMAIL COVER SHEET: 2

EMAIL TO: All State Water Project Contractors

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Alameda County Flood Control and Water Conservation District - Dale Myers 2. Alameda County Water District - Karl B. Stinson 3. Antelope Valley-East Kern Water Agency - Russell Fuller 4. Castaic Lake Water Agency - Robert C. Sagehorn 5. City of Yuba – William Lewis 6. Coachella Valley Water District - Thomas E. Levy 7. County of Butte - Ed Craddock, Vickie Newlin 8. County of Kings - Larry Spikes 9. Crestline-Lake Arrowhead Water Agency - Roxanne M. Holmes 10. Desert Water Agency - Dan M. Ainsworth 11. Dudley Ridge Water District - Dale Melville 12. Empire West Side Irrigation District - John Hattesen (FAX) 13. Kern County Water Agency - Thomas N. Clark 14. Littlerock Creek Irrigation District - Brad Bones 15. Metropolitan Water District of Southern California - Stephen N. Arakawa, Dirk Marks, Christiana Kuewa 16. Mojave Water Agency - Kirby Brill 17. Napa County Flood Control and Water Conservation District - Robert J. Peterson 18. Oak Flat Water District - William D. Harrison | <ol style="list-style-type: none"> 19. Palmdale Water District - Dennis LaMoreaux 20. Plumas County Flood Control and Water Conservation District - Tom Hunter 21. San Bernardino Valley Municipal Water District - Randy Van Gelder 22. San Gabriel Valley Municipal Water District - James E. Frei 23. San Geronio Pass Water Agency - Stephen P. Stockton 24. San Luis Obispo County Flood Control and Water Conservation District – Christina Ferrera 25. Santa Barbara County Flood Control and Water Conservation District - Robert B. Almy 26. Central Coast Water Authority - Dan Masnada 27. Santa Clara Valley Water District - Stanley M. Williams, Frank S. Cotton 28. Solano County Water Agency - David B. Okita, Roland Sanford 29. Tulare Lake Basin Water Storage District - Brent L. Graham 30. Ventura County Flood Control District - Casitas Municipal Water District - John Johnson 31. State Water Contractors - John Coburn |
|--|--|

EMAIL TO: DWR STAFF

- | | |
|--|--|
| <ol style="list-style-type: none"> 1. Tom Glover-OFD 2. Acting Chief-DFD 3. Tom Young/Dave Duval-SLFD 4. Harold Mahan/Acting Chief-SJFD 5. Janet Rollins/Acting Chief-SFD | <ol style="list-style-type: none"> 6. Steve Kashiwada 7. Carl Torgersen 8. Peggy Bernardy 9. Dave Starks 10. Gary Riddle/Paula Landis-SJ District |
|--|--|

cc: Steve Macaulay, Ray Hart, and Jonas Minton

EMAIL FROM:

Dave Paulson for Dan Flory, Chief, State Water Project Analysis Office
 Department of Water Resources
 1416 Ninth Street, P.O. Box 942836 / Sacramento, California 94236-0001

*ASL for D, Flory
10-19-01*

COMMENTS:

Cancellation of State Water Project Facility Tours

Attached is a copy of the Notice to State Water Project Contractors No. 01-16 regarding the cancellation of State Water Project Facility tours.

If you have problems with receiving this email, please call Dave Paulson at (916) 653-9593. Notice was sent via email unless otherwise noted above in Contractor list.

Attachment



NOTICE TO

STATE WATER PROJECT CONTRACTORS

NUMBER: 01-16

DATE: OCT 19 2001

SUBJECT: Cancellation of State Water
Project Facility ToursFrom *Thomas M. Heanigan*
for DIRECTOR, DEPARTMENT OF WATER RESOURCES*by [Signature]*

Given the current national security concerns, the Department of Water Resources is canceling all State Water Project facility tours until further notice. The Department is currently at ThreatCon Level 3, requiring increased surveillance and private security, restricted access to SWP facilities, and the cancellation of all facility tours. All visitor centers, however, will remain open during business hours. The Department desires to accommodate visitors to the extent possible and will notify you when such tours can be accommodated.

If you need additional information or would like to discuss this further, please contact Dan Flory, Chief of the Department's State Water Project Analysis Office, at (916) 653-4313 or Ralph Torres, Division of Operation and Maintenance, at (916) 653-3014.



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-17

DATE: NOV 30 2001

SUBJECT: Initial SWP Entitlement
Allocation for 2002

FROM: 
DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is initially approving 824,000 acre-feet of entitlement water for long-term State Water Project contractors in 2002. SWP supplies are projected to meet 20 percent of most SWP contractors' Table A entitlement. Attached is the Initial 2002 SWP Allocation table.

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

The initial allocation is significantly lower this year as compared to the past few years primarily due to low initial SWP storage that resulted from the dry conditions in 2001. Runoff in 2001 was significantly below normal for the first time in the past seven years.

In making this allocation, the Department also considered a conservative projection of hydrology, SWP operational constraints and 2002 contractor demands, including carryover entitlement water from 2001-2002. SWP contractors' Table A entitlement for 2002 totals 4.13 million acre-feet, of which 3.91 MAF was requested. The Department may revise the allocation as the year's hydrologic and water supply conditions develop.

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

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

Attachment

**2002 INTIAL STATE WATER PROJECT ALLOCATION
(ACRE-FEET)**

SWP CONTRACTORS	2002 ENTITLEMENT			
	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT APPROVED ALLOCATION (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	3,500	3,500	700	20%
Plumas County FC&WCD	1,630	1,630	458	28%
City of Yuba City	9,600	9,600	1,920	20%
Subtotal	14,730	14,730	3,078	
<u>NORTH BAY</u>				
Napa County FC&WCD	21,100	21,100	4,220	20%
Solano County WA	46,296	46,296	9,259	20%
Subtotal	67,396	67,396	13,480	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	78,000	78,000	15,600	20%
Alameda County WD	42,000	42,000	8,400	20%
Santa Clara Valley WD	100,000	100,000	20,000	20%
Subtotal	220,000	220,000	44,001	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	1,140	20%
County of Kings	4,000	4,000	800	20%
Castaic Lake WA	12,700	12,700	2,540	20%
Dudley Ridge WD	57,343	57,343	11,469	20%
Empire West Side ID	3,000	3,000	0	0%
Kern County WA	1,000,949	1,000,949	200,190	20%
Tulare Lake Basin WSD	111,527	111,527	22,305	20%
Subtotal	1,195,219	1,195,219	238,444	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	5,000	20%
Santa Barbara County FC&WCD	45,486	45,486	9,097	20%
Subtotal	70,486	70,486	14,096	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	141,400	141,400	28,280	20%
Castaic Lake WA	82,500	82,500	16,500	20%
Coachella Valley WD	23,100	23,100	4,620	20%
Crestline-Lake Arrowhead WA	5,800	5,800	1,160	20%
Desert WA	38,100	38,100	7,620	20%
Littlerock Creek ID	2,300	2,300	460	20%
Mojave WA	75,800	75,800	15,160	20%
Metropolitan WDSC	2,011,500	1,800,167	402,300	22%
Palmdale WD	21,300	21,300	4,260	20%
San Bernardino Valley MWD	102,600	102,600	20,520	20%
San Gabriel Valley MWD	28,800	28,800	5,760	20%
San Geronio Pass WA	4,000	4,000	800	20%
Ventura County FCD	20,000	20,000	4,000	20%
Subtotal	2,557,200	2,345,867	511,439	
TOTAL	4,125,031	3,913,698	824,538	



Originated by Fiscal



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-18

DATE: DEC 21 2001

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

FROM: *[Signature]*
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, 2002 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, 2001.
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.

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 that 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, 2000 and the annual Statement of Charges rendered by the Department dated June 30, 2001.



NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 01-19

DATE: JAN - 2 2002

SUBJECT: 2001 Carryover Water Program

FROM: 
DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is seeking formal requests from State Water Project contractors for participation in a 2001 Carryover Water Program. Under this program, long-term SWP contractors may elect to carry over a portion of their approved but undelivered 2001 entitlement water for delivery in 2002. This program is separate from other carryover programs afforded by Articles 12(e), 14(b), and 56 of the long-term water supply contracts. In light of statewide water supply conditions and in order to help contractors prepare for the potential of limited supplies in 2002, the Department is willing to consider providing temporary storage in San Luis Reservoir during the first three months of the 2002 calendar year for carryover of 2001 entitlement water.

To participate in the 2001 Carryover Water Program, a contractor must agree to the terms and conditions in this notice and the attached 2001 Carryover Water Program criteria (Attachment A), sign and date the attachment, and return the attachment with a revised 2002 delivery schedule request to Nancy Quan, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. Contractors are encouraged to return the attachment as early as possible to help provide input to the Department's 2002 operations planning, but in no event should the attachment be returned later than January 7, 2002. Last minute submittals should be faxed to (916) 653-9628.

If you have any questions about this program, please contact Dan Flory, Chief of the State Water Project Analysis Office, at (916) 653-4313 or Nancy Quan of his staff at (916) 653-0190.

Attachment

Attachment A

2001 CARRYOVER WATER PROGRAM

CRITERIA

1. The 2001 Carryover Water Program is a one-time program available to all long-term State Water Project contractors. Contractors who participate in this program cannot participate in the carryover programs pursuant to Article 12(e), Article 14(b) or Article 56 of the long-term Water Supply Contract.
2. Contractors may carry over any undelivered 2001 entitlement water allocated to the Agency, up to 25 percent of its 2001 Table A Entitlement, but not more than 100,000 acre-feet.
3. Carryover Water will be stored in San Luis Reservoir and delivered for use within the service area of a requesting contractor for the same reasonable and beneficial uses as entitlement water. Carryover Water may also be delivered to a contractor for programs outside its service area which have been approved by the Department.
4. Delivery of Carryover Water shall not impact allocation or delivery of 2002 entitlement water to contractors.
5. Delivery of Carryover Water may be limited by operational capacity in SWP facilities or as a result of changed operational conditions.
6. The delivery of Carryover Water is not intended in any way to adversely impact any SWP operations or facilities. If the Department determines there has been an adverse impact during the period when Carryover Water was delivered to a contractor, Carryover Water may be reclassified as 2002 scheduled entitlement water to keep the SWP whole.
7. The Department will store Carryover Water in San Luis Reservoir for later delivery to a requesting contractor until March 31, 2002, so long as the storage space is not needed for project purposes. In any event, contractors should take delivery of their Carryover Water Program Water no later than March 31, 2002. Any Carryover Water foregone by the contractors will be become part of the SWP supply.
8. If the Department determines that the storage space in San Luis Reservoir used to store Carryover Water is needed for project purposes, any remaining Carryover Water under this program is at risk of spilling. Available space for Carryover Water will be reduced at a daily rate equivalent to the Department's theoretical ability to store additional water. An individual contractor's remaining

Carryover Water will be displaced in proportion to the participating contractors 2002 Table A. A contractor participating in this program agrees to forego the delivery of any Carryover Water that is lost because of project operations.

9. The Department shall give as much notice as feasible of a potential displacement.
10. A contractor that turned back allocated project water in 2001 for sale in the turnback pool program may not carry over water under this 2001 Carryover Water Program.
11. A contractor that chooses to carry over water under this program may not sell 2002 entitlement water in the 2002 turnback pool program. In the event a contractor later elects to sell 2002 entitlement water in the 2002 turnback pool program, all previously delivered 2001 Carryover Water will be reclassified as 2002 scheduled entitlement water.
12. Participating contractors shall submit revised monthly schedule requests indicating delivery of 2001 Carryover Water and 2002 allocated entitlement water to the State Water Project Analysis Office with this attachment.
13. Conveyance charges for Carryover Water under this program shall be the same as 2002 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 in the same manner as their entitlement water.
15. The 2001 Carryover Water Program shall not be a precedent for future carryover programs.
16. In the event that any claim of liability against the Department, its officers or employees, individually or severally, arises out this program, the participating contractors shall defend, indemnify and hold the Department and any Department officer or employee harmless from any such claim.

If the Agency chooses to carry over 2001 entitlement water under this program, please sign below in the space provided and return this attachment and a revised 2002 delivery schedule to the State Water Project Analysis Office. Please identify an agency contact for matters related to this 2001 Carryover Water Program. A contractor's signature indicates acceptance of the criteria, procedures, and charges established for this program.

ACCEPTED:

Signature

Name

Title

Agency

Date

Contact Person

Telephone