

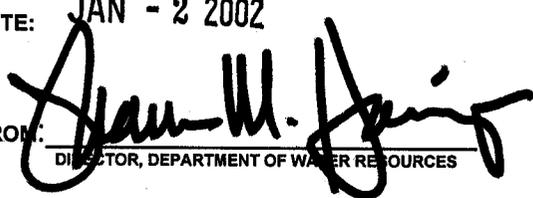


NOTICE TO STATE WATER PROJECT CONTRACTORS

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