NOTICE TO
STATE WATER PROJECT CONTRACTORS

NUMBER: 04-05

DATE: MAR 5 2004

SUBJECT: Article 21 Water Program for 2004

FROM: [Signature]

TERM DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources will administer a program in 2004, in accordance with Article 21 of the long-term Water Supply Contracts. The 2004 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. Due to the current water conditions and storage in the San Luis Reservoir, Article 21 water may become available in 2004.

To participate in the 2004 Article 21 Water Program and be on the notification list, a contractor must sign and date the attachment to this Notice and return the three page attachment to Craig Trombly, 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 Craig Trombly at (916) 653-6250 or Andrea Glasgow at (916) 653-8408.

Attachment
ATTACHMENT

2004 ARTICLE 21 WATER PROGRAM

CRITERIA

1. Contractors can take delivery of Article 21 water, in addition to presently approved 2004 Table A water. Deliveries under this Program may result in a contractor receiving water in 2004, above its annual Table A.

2. Article 21 water shall be used within the service area of a requesting contractor, for the same reasonable and beneficial uses as Table A water. Article 21 water maybe delivered outside the service area of a participating contractor for storage so long as it is later returned for use in the service area. A separate written agreement will be required for delivery outside of a contract service area.

3. Delivery of Article 21 water shall not impact allocation or delivery of approved Table A water to contractors in 2004.

4. Water under this Program shall be State Water Project water that is available as determined by the Department and not needed for fulfilling contractors approved Table A 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 approved 2004 Table A water 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 2004 Table A water and substitute delivery of Article 21 water for scheduled 2004 Table A water, in a way that would adversely impact delivery of Table A water to other contractors in 2004 or in any subsequent year, or adversely affect Project storage of water. Therefore, a contractor must take all previously scheduled 2004 Table A water for the month, before Article 21 water can be classified in that month.
SCHEDULING AND CHARGES

9. The Department will notify the contractors by email when Article 21 water is available.

10. Participating contractors shall submit a weekly schedule indicating Article 21 requests to the State Water Project Analysis Office by FAX at (916) 653-9628, Attention: Andrea Glasgow. 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.

11. Delivery of Table A will be accounted for at the end of the month, rather than on a daily basis. However, an estimate of daily Article 21 allocations will be available to contractors during delivery.

12. If necessary, the supply of Article 21 water will be allocated among requesting contractors in proportion to the 2004 Table A amounts of those contractors.

13. The Department may determine the availability of Article 21 water on a daily basis and may discontinue delivery upon short notice.

14. A contractor taking delivery of Article 21 water may stop or suspend participation in the Program by notifying Andrea Glasgow at (916) 653-8408 or by FAX at (916) 653-9628.

15. Conveyance charges for Article 21 water delivered under this Program shall be the same as for Table A 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.

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

17. Participating contractors shall identify a contact person for the Department to notify concerning all matters under this Program.

18. The 2004 Article 21 Water Program shall not be a precedent for future programs.
In order to participate in the Article 21 water program in 2004, please sign below in the space provided and return all three pages of this attachment to the State Water Project Analysis Office. A contractor's signature indicates acceptance of the criteria, procedures, and charges established for this Program.

ACCEPTED:

Authorized Representative

Signature

Title

Agency

Date

Contact Person    Email    Telephone