The Department of Water Resources (DWR) will administer a program during 2006 in accordance with Article 21 of the long-term Water Supply Contracts. The 2006 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 is currently available and will likely be available for an extended period during 2006.

The 2006 Article 21 Water Program will be administered similarly to years past. The main change, however, is that DWR will not be doing an end-of-month accounting comparison of Article 21 water to scheduled Table A water. The Program participants have the responsibility to follow the intent of the Article 21 contract criteria and to not defer previously scheduled Table A deliveries for later in the year. Contractors shall regularly update their delivery schedules and submit revisions to DWR.

To participate in the 2006 Article 21 Water Program and be on the notification list, a contractor must sign and date the attachment to this Notice and return it to Dave Paulson, 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 Dave Paulson at (916) 653-9593.

Attachment
2006 ARTICLE 21 WATER PROGRAM

CRITERIA

Delivery of Article 21 water shall not impact allocation or delivery of approved Table A water to contractors in 2006.

Water under this Program shall be State Water Project (SWP) water that is available as determined by the Department of Water Resources (DWR) 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 SWP operational requirements, including reservoir storage goals for the current or following years.

3. Delivery to specific contractors may be limited by operational capacity in SWP facilities or as a result of changed operational conditions.

4. The delivery of Article 21 water is not intended in any way to adversely impact any SWP operations. If DWR 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 2006 Table A water to keep the SWP whole.

5. 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 may be 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.

6. Article 21 water shall not be stored by DWR in SWP reservoirs for later delivery to a requesting contractor.

7. This Program is not intended to allow a contractor to shift or defer delivery of allocated scheduled 2006 Table A water and substitute delivery of Article 21 water for scheduled 2006 Table A water in a way that would adversely impact delivery of Table A water to other contractors in 2006 or in any subsequent year, or adversely affect SWP storage of water. Therefore, a contractor must regularly provide DWR updated 2006 schedules.

SCHEDULING AND CHARGES

8. DWR will notify the contractors by email when Article 21 water is available.
9. Participating contractors shall submit a schedule indicating Article 21 water requests to the State Water Project Analysis Office by email to Mark Risney at mrisney@water.ca.gov and Dave Paulson at dpaulson@water.ca.gov. The schedule shall include a statement identifying the intended use of the Article 21 water.

10. DWR will not compare the delivery of scheduled Table A to Article 21 water deliveries at the end of the month. The Program participants have the responsibility to follow the intent of the Article 21 contract criteria and to not defer previously scheduled Table A deliveries for later in the year. As necessary, contractors must update their delivery schedules and submit them to DWR.

11. Daily allocations of Article 21 will be provided to contractors, preferably on a weekly basis. DWR may discontinue availability of Article 21 water upon short notice.

12. If necessary, the supply of Article 21 water will be allocated among requesting contractors in proportion to the 2006 Table A amounts of those contractors.

13. Contractors should be aware of their own developing situations related to the delivery of Table A water, Carryover water, and other water supplies prior to the request of Article 21 water. Every attempt should be made to submit realistic Article 21 water requests to minimize the chances of leaving allocated Article 21 water on the table, thereby preventing another contractor from using additional Article 21 water supplies.

14. A contractor taking delivery of Article 21 water may stop or suspend participation in the Program by notifying Mark Risney at (916) 653-8127 and Dave Paulson at (916) 653-9593.

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 DWR.

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

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

18. The 2006 Article 21 Water Program shall not be a precedent for future programs.
In order to participate in the 2006 Article 21 Water Program, 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
2006 ARTICLE 21 WATER PROGRAM

REQUEST FORM

Agency: __________________________
Staff Contact: ____________________ Phone: ____________________
Mobile: __________________________ Email: ________________________

Requested Art 21 Delivery Schedule: (in cfs)

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<th>Date</th>
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Intended use of Article 21 water: ________________________________________________
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