

**DEPARTMENT OF WATER RESOURCES**

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**Water Supply Contract Negotiations****Objective 1: Ensure the Department of Water Resources can finance State Water Project<sup>1</sup> expenditures beyond 2035****DWR Initial Proposal 1 - Term****Initial Proposal to meet objective: Extend the Term of the Contract****Background**

The State Water Project (SWP) is a critical piece of water supply infrastructure for California. Because the SWP provides water to over 25 million Californians, located in many different counties, and is used to irrigate 750,000 acres of land in the Central Valley, the term of the SWP water supply contract must be long enough to provide both water supply reliability to its rate payers and economic stability to the SWP and thus California.

**Initial Proposal**

Amend the contract to extend the term from 2035 to 2075.

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<sup>1</sup> The State Water Project is the name commonly used to refer to the State Water Resources Development System (Water Code Section 12931)