STATE OF CALIFORNIA • RESOURCES AGENCY • DEPARTMENT OF WATER RESOURCES

NOTICE TO STATE WATER PROJECT CONTRACTORS

NUMBER: 04-03

DATE: FEB 13 2004

SUBJECT: 2004 Turnback Water Pool Program

FROM: Tom Glover
DEPUTY DIRECTOR, DEPARTMENT OF WATER RESOURCES

The Department of Water Resources is offering a 2004 Turn-Back Water Pool Program pursuant to Article 56 of its long-term Water Supply Contracts. This program is available to interested State Water Project contractors and is subject to the terms and conditions contained in this notice, and to those included in Attachment A, "2004 Turn-Back Water Pool Program Commitment."

The Department will administer two turn-back water pools: Pool A and Pool B. State Water Project contractors may choose to sell or buy turn-back pool water in one or both of these pools. This program is separate from any other water sale or purchase program that the Department may administer during 2004.

To participate in this program as either a seller or a buyer, a participant must sign and date the commitment (Attachment A) attached to this Notice and return it by the dates listed in Attachment A to Dan Flory, Chief, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. Last-minute submittals for both pools must be faxed to (916) 653-9628, in addition to submitting them by mail so they are received by the due date. A schedule for this program (Attachment B) is included for your reference.

If you have any questions or would like further information about this program, please contact Dan Flory at (916) 653-4313, or Craig Trombly of his staff at (916) 653-6250.

Attachments

Attachment A

2004 Turn-Back Water Pool Program Commitment
Criteria

1. The 2004 turn-back water pools are subject to Article 56 of the long-term Water Supply Contracts.

2. A State Water Project contractor may sell allocated 2004 Table A water that it will not use, provided that: (1) the contractor has not elected to store project water outside of its service area in 2004, and (2) the contractor has not elected to carry over under Article 12(e) or Article 56 any of its long-term water supply contract Table A water from 2003.

3. Sales and purchases of turn-back pool water shall not affect the 2004 allocation of Table A water to any SWP contractors.

4. The Department may limit or delay delivery of turn-back pool water due to either (a) limits on the operational capacity of SWP facilities, or (b) changing operational conditions.

5. Delivery priority of turn-back pool water will be the same as for Table A water (Priority 1), as described in Article 12(f) of the long-term Water Supply Contracts so long as the total amount of project water does not exceed the contractor's 2004 Table A amount. Delivery priority of turn-back pool water in excess of the contractor's Table A amount will be Priority 6.

6. A contractor selling or purchasing turn-back pool water shall be required to enter into a written agreement with the Department.

7. A contractor purchasing turn-back pool water should submit its revised delivery request to the Department as soon as possible after being allocated the turn-back pool water.

8. Turn-back pool water may be stored outside of the purchasing contractor's service area for later use inside of the contractor's service area consistent with Article 56. A separate agreement with and approved by the Department is required. In addition, storage outside of the State Water Project service area must be consistent with water rights permits for the State Water Project.

9. The 2004 turn-back water pool program shall not be a precedent for future programs.

Scheduling and Charges

1. A State Water Project contractor offering to sell turn-back pool water in Pool A must submit a completed and signed copy of the "Commitment to Sell/Purchase 2004 Turn-back Pool Water" (see end of this document). The Department must receive a mailed or faxed copy on or before 12:00 p.m., February 13, 2004. The Department will notify all State Water Project contractors of the availability of water through Pool A on or before February 19, 2004.

2. A SWP contractor willing to buy turn-back pool water through Pool A must submit a completed and signed copy of the "Commitment to Sell/Purchase 2004 Turn-back Pool Water" (see end of this document). The Department must receive a mailed or faxed copy on or before 12:00 p.m., March 1, 2004. The price for such water will be $11.79 (50 percent of the Delta Water Rate) for each acre-foot of water purchased. In addition to the charge per acre-foot, the purchasing contractor shall pay the Department the 2004 Transportation Variable Operations, Maintenance, Power, and Replacement Component charges and the Off-Aqueduct Power Facilities Charges for turn-back pool water delivered, plus any incremental costs identified by the Department as described in Article 56(d)(7).

3. All sales and purchases through Pool A are irrevocable even if the Department reduces Table A allocations on or after February 13, 2004.

4. The Department will notify all participating contractors of Pool A sale allocations on or before 12:00 p.m., March 8, 2004. Pool A buyers must return the signed contract that will be provided by the Department within thirty days of the Department's mailing date. The Department will invoice each participating contractor for the purchase price of the water, with payment due 30 days from the date of the invoice.

5. Pool A sellers must return the signed contract that will be provided by the Department within thirty days of the Department's mailing date. 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. The Department must receive a cancellation letter or faxed advance copy by no later than 12:00 p.m., March 15, 2004.

6. A SWP contractor offering to sell turn-back pool water in Pool B must submit a completed and signed copy of the "Commitment to Sell/Purchase 2004 Turn-back Pool Water" (see end of this document). Pool B Sellers shall indicate how much water they want to sell in Pool B as a function of the approved Table A allocation as of June 1, 2004. The Department must receive a mailed or faxed copy on or before 12:00 p.m., March 15, 2004. Pool B water will consist of turn-back water offered by a seller after February 13, but 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 22, 2004.

7. A SWP contractor willing to buy turn-back pool water through Pool B must submit a completed and signed copy of the "Commitment to Sell/Purchase 2004 Turn-back Pool Water" (see end of this document). Pool B Buyers shall indicate how much water they want to buy in Pool B as a function of the approved Table A allocation as of June 1, 2004. The Department must receive a mailed or faxed copy on or before 12:00 p.m., April 1, 2004. The price for such water will be $5.89 (25 percent of the Delta Water Rate) for each acre-foot of water purchased. In addition to the charge per acre-foot, the purchasing contractor shall pay the Department the 2004 Transportation Variable Operations, Maintenance, Power, and Replacement Component charges and the Off-Aqueduct Power Facilities Charges for turn-back pool water delivered, plus any incremental costs identified by the Department as described in Article 56(d)(7).

8. The Department will notify all participating contractors of Pool B sale allocations on or before 12:00 p.m., April 8, 2004.

9. Pool B sellers must return the signed contract that will be provided by the Department within thirty days of the Department's mailing date. For any water remaining in Pool B for which a commitment to purchase has not been made by April 16, 2004, the offering contractor may cancel its offer to sell its share of unsold water in writing. The Department must receive a cancellation letter or faxed advance copy by no later than 12:00 p.m., April 16, 2004.

10. Pool B buyers must return the signed contract that will be provided by the Department within thirty days of the Department's mailing date. The Department will invoice each participating contractor for the purchase price of the water, with payment due 30 days from the date of the invoice.

11. The Department will finalize the allocation of sales and purchases of Pool B water and notify all participating contractors by June 1, 2004.

12. The Department shall decide on April 23, 2004 whether to purchase any portion of unsold Pool B water remaining on that date.

13. No reallocation of sales or purchases will be done after June 1, 2004.

In order to sell or purchase turn-back pool water under Article 56 of the contractor's long-term Water Supply Contracts, please fill in the information required in the blank spaces below, sign the following commitment form, and return it to: Dan Flory, Chief, State Water Project Analysis Office, Post Office Box 942836, Sacramento, California 94236-0001. A contractor's signature indicates acceptance of all of the terms and conditions of this program.

COMMITMENT TO SELL/PURCHASE 2004 TURN-BACK POOL WATER

By signing below, _____ agrees to sell/purchase 2004 Turn-Back Pool water in accordance with all of the terms and conditions set forth in this 2004 Turn-Back Water Pool Commitment, Attachment A to State Water Project Contractors Notice No. 04-02.

POOL A

ACRE-FEET OF WATER COMMITTED TO SELL

_____, OR

ACRE-FEET OF WATER COMMITTED TO PURCHASE

_____, OR

FULL ALLOCATION OF WATER OFFERED

_____

ACCEPTED:

_____
AGENCY

_____
DATE

_____
AUTHORIZED REPRESENTATIVE

POOL B

Purchasers of Turn-Back Pool B water may either check the following box to receive the full allocation of water offered or fill in the chart below for specific purchase amounts.

☐ **We agree to purchase all available Turnback Pool B water**

Table A Allocation As of June 1, 2004 (Percent)	Amount to Sell (Acre-Feet)	Amount to Buy (Acre-Feet)
5		
10		
15		
20		
25		
30		
35		
40		
45		
50		
55		
60		
65		
70		
75		
80		
85		
90		
95		
100		

ACCEPTED:

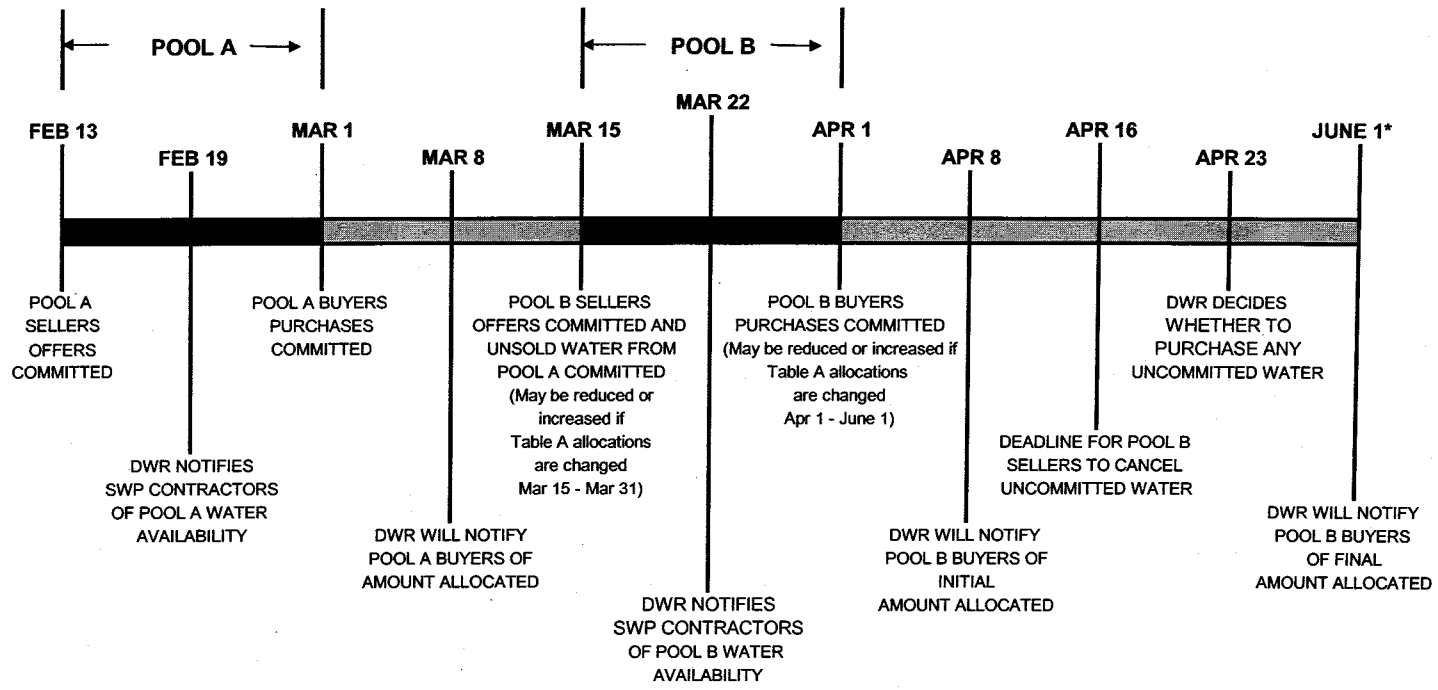
_____
AGENCY

_____
DATE

_____
AUTHORIZED REPRESENTATIVE

2004 TURN-BACK POOL SCHEDULE

Attachment B



* The June 1 date only applies if Table A allocations have changed between April 1 and June 1. Only participants who were fully committed as of April 1 will be involved.

SWPAO
1/22/2004