

**NOTICE TO STATE WATER PROJECT CONTRACTORS**

**Date:** January 27, 2021

**Number:** 21-01

**Subject:** 2021 Turn-Back Water Pool Program

**From:** Original signed by  
**Ted Craddock**  
**Deputy Director, State Water Project**  
Department of Water Resources

The Department of Water Resources (DWR) is offering a 2021 Turn-Back Water Pool Program pursuant to Article 56 of the Water Supply Contracts. This Program is available to interested State Water Project (SWP) contractors who have signed the Monterey Amendment, and is subject to the attached terms and conditions (Attachment A).

DWR will administer two Turn-Back Water Pools: Pool A and Pool B. An SWP contractor 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 DWR may administer during 2021. DWR will continue to offer this program until the Water Management Amendment is officially implemented.

To participate in the 2021 Turn-Back Water Pool Program and be on the notification list, a contractor must complete, sign and date the commitment (Attachment A) attached to this notice, and return all pages of the attachment to Mark Risney, State Water Project Analysis Office, Department of Water Resources, Post Office Box 942836, Sacramento, California 94236-0001. To meet the commitment due date, contractors can email signed notices to Mark Risney at [Mark.Risney@water.ca.gov](mailto:Mark.Risney@water.ca.gov), as long as the original notice is also mailed. A schedule for this Program (Attachment B) is included as a reference.

If you have any questions or need additional information about this Program, please contact Mahmoud Mabrouk at (916) 653-4635 or Tasmin Eusuff at (916) 653-6250.

Attachment A: 2021 Turn-Back Water Pool Program

Attachment B: 2021 Turn-Back Pool Schedule

**Attachment A**  
**2021 Turn-Back Water Pool Program**

**Terms and Conditions**

1. The 2021 Turn-Back Water Pools are subject to Article 56 of the Water Supply Contracts.
2. An SWP contractor may sell allocated 2021 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 2021, and (2) the contractor has not elected to carry over Table A water from 2020 pursuant to Article 12(e) or Article 56 of its Water Supply Contract.
3. Sales and purchases of Turn-Back Water Pool water shall not affect the 2021 allocation of Table A water to any SWP contractors.
4. Turn-Back Pool water purchased by a contractor will be delivered to the contractor's service area from the SWP facilities, or as otherwise arranged, consistent with the contractor's Water Supply Contract.
5. DWR 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.
6. 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 2021 Table A amount. Delivery priority of Turn-Back Pool water in excess of the contractor's Table A amount will be Priority 6.
7. Contractors selling Turn-Back Pool water shall submit a revised water delivery schedule to DWR reflecting changes due to the sale of their water. Likewise, a contractor purchasing Turn-Back Pool water should submit its revised delivery request to DWR as soon as possible after being allocated the Turn-Back Pool water. All water schedules shall be prepared in accordance with Article 12 of the contractor's Water Supply Contract.
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. The location of this storage may be inside or outside of the SWP service area, but it must be consistent with water rights permits for the SWP.
9. The 2021 Turn-Back Water Pool Program shall not be a precedent for future programs.
10. An SWP contractor offering to sell Turn-Back Pool water in either Pool A or in Pool B must submit a completed and signed copy of this Agreement for each Pool as appropriate (see last two pages of this Agreement). Sellers shall indicate the

amount of water they want to sell in Pool A and/or Pool B using the chart provided with the signature page. DWR must receive a signed Agreement on or before 12:01 p.m., February 15, 2021 for Pool A water sales and on or before 12:01 p.m., March 15, 2021 for Pool B water sales. It is acceptable to submit a signature page by e-mail to Mark Risney at [Mark.Risney@water.ca.gov](mailto:Mark.Risney@water.ca.gov) and Mahmoud Mabrouk at [Mahmoud.Mabrouk@water.ca.gov](mailto:Mahmoud.Mabrouk@water.ca.gov) in order to meet the deadline; however, an original signature must be submitted as soon as possible afterwards.

11. An SWP contractor offering to buy Turn-Back Pool water in either Pool A or in Pool B must submit a completed and signed copy of this Agreement for each Pool as appropriate (see last two pages of this Agreement). Buyers shall indicate the amount of water they want to purchase in Pool A and/or Pool B using the chart provided with the signature page. DWR must receive a signed Agreement on or before 12:01 p.m., March 1, 2021 for Pool A water purchases and on or before 12:01 p.m., April 1, 2021 for Pool B water purchases. It is acceptable to submit a signature page by e-mail to Mark Risney at [Mark.Risney@water.ca.gov](mailto:Mark.Risney@water.ca.gov) and Mahmoud Mabrouk at [Mahmoud.Mabrouk@water.ca.gov](mailto:Mahmoud.Mabrouk@water.ca.gov) in order to meet the deadline; however, an original signature must be submitted as soon as possible afterwards.
12. The price for Pool A water will be \$42.78 (50 percent of the 2021 Delta Water Rate) for each acre-foot of water purchased or sold. Also, the price for Pool B water will be \$21.39 (25 percent of the 2021 Delta Water Rate) for each acre-foot of water purchased or sold. In addition to the charge per acre-foot, the purchasing Contractor shall pay DWR the 2021 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 DWR as described in Article 56(d)(7).
13. DWR will notify all participating contractors by e-mail after the current sales and allocation information at each stage of the Program. These notifications will be sent out within three working days of each of the above milestone dates.
14. DWR will invoice each purchasing contractor for the purchase price of the water, with payment due 30 days from the date of the invoice. Likewise, DWR will pay each selling contractor for their water within 30 days after DWR has received payment from all the purchasers.
15. All sales and purchases through Pool A are irrevocable even if DWR reduces or increases Table A allocations on or after February 15, 2021.
16. DWR will finalize the allocation of sales and purchases of Pool B water on June 1, 2021. The percentage of Table A allocations in effect on this date will determine the final amounts. Only contractors who were active participants in this Program on April 1, 2021 will be allowed to participate. No reallocation of sales or purchases will be done after June 1, 2021.

17. In the event that any water remains unsold in either Pool, the offering contractor may cancel its offer to sell its share of unsold water in writing. A cancellation letter or advance copy sent by e-mail must be received no later than 12:01 p.m., March 15, 2021 for Pool A water and by no later than 12:01 p.m., April 15, 2021 for Pool B water.
18. DWR shall decide by April 21, 2021 whether to purchase any portion of Pool A water remaining unsold on that date.

**AGREEMENT TO SELL/PURCHASE 2021 TURN-BACK POOL WATER IN POOL A**

In order to sell or purchase Turn-Back Pool water under Article 56 of the contractors' long-term Water Supply Contracts, please fill in the information required below, sign in the space provided, and return all pages of this Attachment A to the State Water Project Analysis Office. A contractor's signature indicates acceptance of all of the terms and conditions of this Program as set forth in this Attachment A.

Purchasers of Turn-Back Pool A 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 Turn-Back Pool A water.

Table A Allocation As of February 15, 2021 (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		

Authorized Representative  
Signature

\_\_\_\_\_

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

\_\_\_\_\_  
Acting Chief, State Water Project Analysis Office

Agency

\_\_\_\_\_

Date

\_\_\_\_\_

Contact Person

\_\_\_\_\_

Email

\_\_\_\_\_

Telephone

**AGREEMENT TO SELL/PURCHASE 2021 TURN-BACK POOL WATER IN POOL B**

In order to sell or purchase Turn-Back Pool water under Article 56 of the contractors' long-term Water Supply Contracts, please fill in the information required below, sign in the space provided, and return all pages of this Attachment A to the State Water Project Analysis Office. A contractor's signature indicates acceptance of all of the terms and conditions of this Program as set forth in this Attachment A.

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 Turn-Back Pool B water.

Table A Allocation As of June 1, 2021 (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		

Authorized Representative  
Signature

\_\_\_\_\_

Agency

\_\_\_\_\_

Date

\_\_\_\_\_

Contact Person

\_\_\_\_\_

Email

\_\_\_\_\_

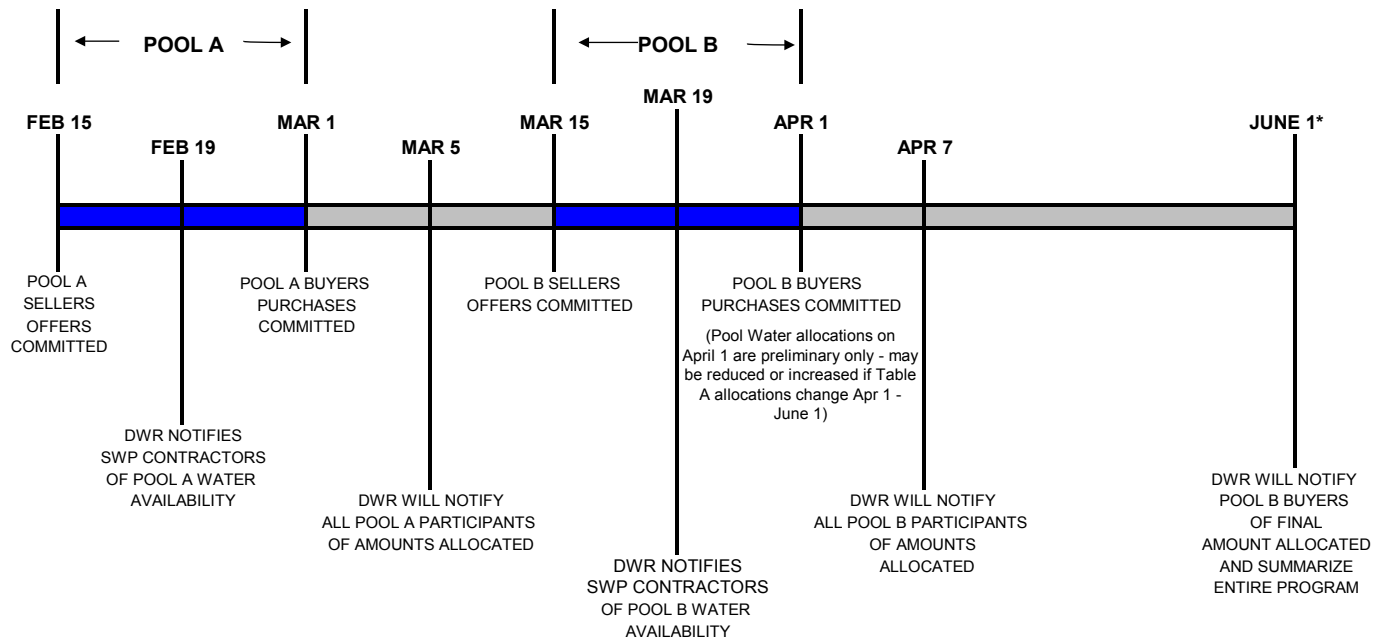
Telephone

STATE OF CALIFORNIA  
DEPARTMENT OF WATER RESOURCES

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Acting Chief, State Water Project Analysis Office

# 2021 TURN-BACK POOL SCHEDULE

## Attachment B



\* The June 1 date only applies if Table A allocations change between April 1 and June 1. Participants who were fully committed as of April 1 will be involved.

SWPAO  
1/15/2021

## **NOTICE TO STATE WATER PROJECT CONTRACTORS**



**Date:** February 3, 2021

**Number:** 21-02

**Subject:** Criteria for Bulletin 132-2021

**From:** Original signed by  
**Ted Craddock**  
**Deputy Director, State Water Project**  
Department of Water Resources

Attached for your information are copies of the criteria for State Water Project (SWP) operations studies and the rates for use in preparing:

1. SWP Contractors' Statements of Charges for the year 2022,
2. Bulletin 132-2021, "Management of the California State Water Project",  
and
3. Financial analysis studies.

If you have any questions, please contact Hong Lin, Chief Financial Manager of the State Water Project at [Hong.Lin@water.ca.gov](mailto:Hong.Lin@water.ca.gov), or Susan Lee of her staff at [Susan.Lee@water.ca.gov](mailto:Susan.Lee@water.ca.gov).

Attachments:  
Attachment 1 – SWP Operations Studies  
Attachment 2 – Table 1 Interest Rates  
Attachment 3 – Table 2 Cost Escalation Rates



**CRITERIA FOR BULLETIN 132-2021  
STATE WATER PROJECT OPERATIONS STUDIES**

These criteria provide summaries of the basic operations assumptions to be used in developing the 2022 Statements of Charges. Actual State Water Project (SWP) operations may ultimately be different and contractor billings will be adjusted as appropriate.

1. **Water Deliveries:** Water demands for the water operations studies will be based on the short-range, five-year (2021-2025) requests submitted by the SWP Contractors (Contractors) in October 2020 and the long-range (2026-2035) requests submitted by Contractors in October 2020.
  
2. **Water Supply:** The water and power operations studies will reflect compliance with the March 15, 2000 revision of the State Water Resources Control Board December 1999 Water Right Decision 1641; the biological opinions issued October 25, 2019 by both the US Fish and Wildlife Service for the reinitiation of consultation on the coordinated operations of the Central Valley Project and the State Water Project concerning delta smelt and the NOAA Fisheries for the reinitiation of consultation on the long-term operation of the Central Valley Project and State Water Project issued October 21, 2019 concerning salmonids, green sturgeon and killer whales; the SWP Incidental Take Permit issued March 31, 2020; and implementation of the Lake Oroville 2020/2021 Flood Control Season Operations Plan. Additionally, Feather River Service Area Settlement Contractors' water demand is included in all studies and is based on historical water delivery patterns. The water supply assumed for water and power operation studies will be as follows:
  - a) **2021:** The initial operations study for 2021 will assume hydrology sufficient to deliver 2.496 million acre-feet (MAF) (60 percent of Contractors' projected Table A requests). Projections of power generation at the Oroville-Thermalito Complex will be based on the Lake Oroville reservoir inflow from the same hydrology. For generation at Pine Flat Lake, the lower quartile inflow will be assumed. The 2021 water deliveries and water and power operations studies will be reviewed and finalized in May 2021 when the final water supply forecast based on May 1, 2021 snow survey becomes available.
  
  - b) **2022:** SWP operations projected for 2022 are the basis for the 2022 Statements of Charges. The study will assume hydrology sufficient to deliver 2.496 MAF (60 percent of Contractors' projected Table A

requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.

- c) 2023: The 2023 studies will assume hydrology sufficient to deliver 2.496 MAF (60 percent of Contractors' projected Table A requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
- d) 2024: Assume hydrology sufficient to deliver 60 percent of Contractors' projected Table A requests of 2.496 MAF.
- e) 2025: Assume hydrology sufficient to deliver 60 percent of Contractors' projected Table A requests of 2.496 MAF.
- f) 2026-2035: Assume hydrology sufficient to deliver 60 percent of Contractors' projected Table A requests of an average 2.496 MAF.

### 3. Water Supply Augmentation:

- a) Delta Pumps: The total capacity of Banks Pumping Plant is 10,300 cubic feet per second; however, the actual daily allotment for Clifton Court Forebay will be limited as stated in the U.S. Army Corps of Engineers Public Notices 5820A, October 1981, and 19990715, May 2000.
- b) South Delta Improvements Program (SDIP): This program was originally scheduled for implementation as one of the components of Stage 1 of the CALFED Bay-Delta Program to address local and SWP water supply problems in the South Delta. Construction of the permanent operable gates and the channel dredging were proposed to be implemented under Stage 1 of the SDIP. Stage 2 of the SDIP, which would have included increasing diversions, is currently being re-evaluated in light of regulatory changes since 2008. In 2020, DWR completed an analysis of SDIP that included review of the likely reasons the program did not succeed as well as how the development of related activities, environmental changes, and the regulatory environment may affect a future action. The results of this analysis indicate that the original goals of SDIP are still relevant; however, reinitiating all the original elements of SDIP as one project likely would not lead to a successful outcome. In 2021 DWR will begin planning efforts to further evaluate feasible project elements and to establish partnerships with the primary stakeholders.
- c) Ground Water Programs: On August 9, 1996, ownership of the Kern Fan Element Property and the La Hacienda Facilities was

transferred to Kern County Water Agency (KCWA) and Dudley Ridge Water District through the Kern Water Bank Authority (KWBA) as part of the Monterey Amendment. Fifty percent of any SWP water remaining in storage from the Berrenda Mesa Demonstration Program and the La Hacienda Water Purchase Program was also transferred to KWBA. The DWR retains the right to recover 15,000 acre-feet under the recovery agreement with KCWA. Under the 1990 Demonstration Program, the DWR had a balance of 10,032 acre-feet at the start of 2020 that had been stored in Semitropic Water Storage District's service area. DWR recovered the remaining 10,032 acre-feet of this water in 2020 thereby closing out the 1990 Demonstration Program.

- d) Other Project Yield: For purposes of preparing water and power studies for future years, it will be assumed that the SWP will deliver 60 percent of full Table A requests based on the latest reliability study prepared by the Bay-Delta Office.

- 4. Power Operations: With the changing of price patterns in the energy markets, energy prices are forecasted to be highest during non-solar hours and summer months. To minimize power costs, aqueduct operation will be optimized by minimizing pumping during expensive hours within operating criteria constraints.

For Bulletin 132-2021, forecasted SWP power resources for the study period will be based on existing SWP generation and power purchases including the two long-term contracts for 175 megawatts of solar generation with an anticipated Commercial Operation Date (COD) of 2022, and a long-term solar generation contract for approximately 100 MW with a COD of 2023.

Project Order 36, State Power Contract for the Use of Oroville Power, will continue to be applied to the criteria for SWP operations studies until rescinded. Project Order 36 was issued in 1994 to address the continuation of DWR's charges to the contractors for Oroville power.

- 5. Contract Extension Effective Date: For the purpose of calculating the cost recovery charges, the assumption is that the water supply contract amendment for Contract Extension will be effective on January 1, 2024.
- 6. Future SWP Facilities: The schedule for initial operation of future SWP facilities to be used when preparing information for Bulletin 132-2021 is shown in the following table:

FUTURE SWP CAPITAL PROJECTS	Dates for Completion	
	Bulletin 132-2020	Bulletin 132-2021
<b>OROVILLE FACILITIES</b>		
Oroville Dam Spillways Response, Recovery, and Restoration		
Phase 2 - Flood Control Outlet, Terrain Re-grading	2020	2021
Phase 3 - Site Rehabilitation	2024	2025
Thermalito Powerplant Clean-up and Reconstruction	2020	2021
P2100 FERC Relicensing	2024	2023
<b>DELTA FACILITIES</b>		
Sherman and Twitchell Island Fish Screens	2021	2021
Yolo Bypass Salmonid Habitat Restoration and Fish Passage Project	2022	2023
<b>CALIFORNIA AQUEDUCT</b>		
California Aqueduct Subsidence Study and Remediation	2023	2030
<b>CALIFORNIA AQUEDUCT - WEST BRANCH</b>		
P2426 FERC Relicensing	2024	2023
<b>CALIFORNIA AQUEDUCT - EAST BRANCH</b>		
Perris Dam Remediation		
Tower Outlet Retrofit	2022	2023
Emergency Release Facility	2024	2025
P2426 FERC Relicensing	2024	2023
<b>OTHER PROJECTS</b>		
Financial Management Enhancements Program	2023	2023
SWP Protective Relay Replacement	2022	2033
SWP Fire Systems Modernization	2026	2030
SWP Dam Safety Program	2030	Annual Recurring

**TABLE 1  
INTEREST RATES  
RECOMMENDED IN PREPARING DATA  
FOR 2022 STATEMENTS OF CHARGES, BULLETIN 132-2021  
AND DWR FINANCIAL ANALYSIS STUDIES**

<u>Item</u>	<u>Interest Rate Per Year<sup>1</sup></u>
Interest Rates on future general obligation "Offset" bonds (If assumed sold) <sup>2</sup>	1.650 (2.300)
Interest Rate for future Water System Revenue Bonds	1.600 (2.150)
Project Interest Rate for determining Statements of Charges for 2022	4.610 (4.610)
Interest Rate on future short-term investment of SWP funds <sup>3</sup>	0.698 (2.042)

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<sup>1</sup>For the purposes of DWR studies, these rates are to be used as the effective rates of interest. Figures in parentheses are Bulletin 132-2020 assumptions.

<sup>2</sup> Future bonds are assumed to be repaid by the end of the current water supply contract repayment period (2035) or sooner, with maturities commencing in the year following the date of sale and with equal annual bond service for the principal repayment period.

<sup>3</sup> Based on the expected rate of return for funds invested in the State's Surplus Money Investment Fund.

**TABLE 2  
COST ESCALATION RATES  
RECOMMENDED IN PREPARING SWP FACILITIES DATA  
FOR 2022 STATEMENTS OF CHARGES, BULLETIN 132-2021  
AND DWR FINANCIAL ANALYSIS STUDIES**

<u>Item</u>	<u>Percent Increase Per Year<sup>1</sup></u>			
	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024-2035</u>
<u>Capital Costs</u>				
State Operations (Salaries and Benefits) <sup>2</sup>	0 (0)	0 (4.00)	0 (4.00)	4.00 (4.00)
Construction, Direct Pay	0 (0)	3.32 (4.20)	3.22 (4.20)	3.22 (4.20)
Relocation, Direct Pay	0 (0)	4.00 (4.00)	4.00 (4.00)	4.00 (4.00)
Land and Rights, Direct Pay	0 (0)	4.00 (4.00)	4.00 (4.00)	4.00 (4.00)
<u>Operations and Maintenance Costs<sup>3</sup></u>				
State Operations (Salaries and Benefits) <sup>2</sup>	0 (0)	0 (4.00)	0 (4.00)	4.00 (4.00)

<sup>1</sup> Figures in parentheses are Bulletin 132-2020 assumptions.

<sup>2</sup> Reflects agreed salary and benefit adjustments. Escalation rate should be considered preliminary. Continuing labor negotiations may change rate.

<sup>3</sup> Operation and Maintenance costs for the 2022 Statements of Charges and Bulletin 132-2021 are to be escalated through 2023 and escalated one percent for the remainder of the current water supply contract repayment period for certain costs.

**NOTICE TO STATE WATER PROJECT CONTRACTORS**

**Date:** March 5, 2021

**Number:** 21-03

**Subject:** Implementation of Water Management Amendment

**From:** Original Signed by  
**Ted Craddock**  
**Deputy Director, State Water Project**  
Department of Water Resources

As of February 24, 2021, the minimum threshold of 24 Water Management Amendments to the long-term Water Supply Contracts had been executed by the State, acting by and through the Department of Water Resources (DWR), and State Water Project contractors.

According to its implementing provisions, the Water Management Amendment (Amendment) shall take effect on the last day of the calendar month in which 24 or more contractors have executed the Amendment, unless a final judgement by a court of competent jurisdiction has been entered that the Amendment is invalid or unenforceable or a final order has been entered that enjoins the implementation of the Amendment. Having met the foregoing criteria, the Amendment took effect on February 28, 2021 for the contractors who have executed it.

The Amendment incorporates contractual tools into the State Water Project Water Supply Contracts to provide greater flexibility in managing State Water Project supplies. The Amendment adds Article 57 and modifies the provisions in Article 21 and Article 56; all other provisions in the long-term Water Supply Contracts remain in full force and effect.

Pursuant to the Amendment's implementing provisions, if a contractor has not executed the Amendment within 60 days after its effective date, *i.e.*, by April 29, 2021, the Amendment shall not take effect as to such contractor unless the contractor and the State, in its discretion, thereafter execute such contractor's Amendment, in which case the Amendment effective date for purposes of that contractor's Amendment will be as agreed upon by the State and the contractor.

## ***NOTICE TO STATE WATER PROJECT CONTRACTORS***



All provisions in the long-term Water Supply Contracts for contractors who do not execute the Amendment remain in full force and effect.

If you have any questions or need additional information, please contact John Leahigh, Water Operations Executive Manager, Operations and Maintenance, at (916) 651-2447.



**NOTICE TO STATE WATER PROJECT CONTRACTORS**

**Date:** March 15, 2021

**Number:** 21-04

**Subject:** Bulletin 132-18, Management of the California State Water Project

**From:** Original signed by  
**Karla A. Nemeth**  
**Director**  
Department of Water Resources

Bulletin 132-18, the fifty-sixth edition of Bulletin 132, Management of the California State Water Project, has been published and is now available for distribution. Bulletin 132-18 is prepared for use by the California Water Commission, State Water Project water and power users, bond underwriters, dealers and investors, and the public.

Bulletin 132-18 will be delivered within six weeks to a subset of recipients who receive this notice. All other recipients may request printed copies of the bulletin as indicated below:

California Department of Water Resources  
Imaging and Records Management  
Publications Office  
Post Office Box 942836  
Sacramento, California 94236-0001  
(916) 653-1097  
Email: [DWRPublications@water.ca.gov](mailto:DWRPublications@water.ca.gov)

CD-ROM production of Bulletin 132 was discontinued. Bulletin 132-18 is available for direct download in PDF format at:

<https://water.ca.gov/Programs/State-Water-Project/Management/Bulletin-132>

## **NOTICE TO STATE WATER PROJECT CONTRACTORS**



**Date:** March 11, 2020

**Number:** 21-05

**Subject:** Summary of the 2021 Statement of Charges Preparation

**From:** Original signed by  
Hong Lin  
Chief Financial Manager, State Water Project  
Department of Water Resources

Attached for your information is the "Summary of the 2021 Statements of Charges Preparation".

This memorandum documents the preparation of the 2021 Statements of Charges and contains a year-over-year comparison of 2020 projected costs and actual charges, the 2020 process changes, and a detailed component-by-component analysis. Also included is a summary of the revised 2021 Statements of Charges (2021 Rebill) distributed in January 2021.

If you have any questions, please contact me at (916) 651-0762 or Dave Paulson at (916) 653-7402. Thank you.

Attachment

## **Summary of 2021 Statements of Charges**

The State Water Project Analysis Office (SWPAO) completed the determination of the State Water Project (SWP) Contractors' 2021 Statements of Charges (SOC) in June 2020. The 2021 total charges are \$1.304 billion, which includes SWP Capital, Minimum, estimated Variable, and other charges billable to each of the 29 SWP Contractors. This represents a \$25.1 million (approximately two percent) decrease from the 2020 Rebill of \$1.330 billion.

This memorandum contains an analysis of the billing component changes and assumptions used in preparing the 2021 SOC. Bulletin 132-20, Appendix B, was published in August 2020 and provides information regarding billing component calculations and methodologies that are supplemental to this document.

Table 1 is a comparison of the 2021 SOC to the 2020 Rebill. This summary displays the SWP projected expenditures, the prior year adjustments, and the annual charges by year and major cost component. Additionally, the year-over-year change is provided. The "Projected Costs" columns represent the water supply costs reimbursable by the SWP Contractors. The Department of Water Resources (Department) presented the projected expenditures to the SWP Contractors in early 2020 and issued the 2021 SOC in July. The charges that SWP Contractors are responsible to pay are based on the projected costs and include the prior year adjustments.

Table 1. Comparison of 2021 SOC to the 2020 Rebill

(\$ shown in thousands)

Components	2021 SOC			2020 Rebill			Year-over-Year Change
	Projected Costs	Prior Year Adjustments	Charge	Projected Costs	Prior Year Adjustments	Charge	
<b>Capital</b>							
Transportation Component	151,191	-	146,688	106,908	-	143,537	3,151
Debt Service Projects	1,632	-	63,029	595	-	61,554	1,475
East Branch Enlargement	-	-	36,941	-	-	36,525	416
Conservation Component*	109,445	-	139,262	168,343	-	138,840	422
WSRB Surcharge	-	-	83,770	-	-	84,275	(504)
Capital Subtotal			469,691			464,732	4,959
<b>Minimum</b>							
Transportation Component	284,345	(13,834)	270,511	308,576	29,134	336,586	(66,075)
Conservation Component*	233,344	-	217,723	275,724	-	201,663	16,061
EBE Minimum Component	11,010	(1,250)	9,760	10,917	1,311	12,075	(2,314)
Conservation RAS	-	-	-	-	-	-	-
Minimum Subtotal		(15,084)	497,995		30,445	550,324	(52,329)
<b>Other (Various)</b>							
Off-Aqueduct Power	-	-	6,650	-	-	6,650	-
Variable Component	325,656	9,173	334,829	292,735	9,513	302,248	32,581
Transportation RAS	3,548	(7,948)	(4,400)	4,656	1,294	5,950	(10,350)
Other Subtotal		1,225	337,079		10,807	314,848	22,231
<b>Grand Total</b>			<b>1,304,327</b>			<b>1,329,903</b>	<b>(25,139)</b>

\* Conservation costs shown are for the respective bill year only.

This memorandum also provides a summary of the revised 2021 SOC (2021 Rebill) distributed in January 2021. Table 2, located at the end of this memorandum is a comparison of the 2021 Rebill to the 2021 SOC.

SWP Contractors and their representatives independently review and analyze the annual SOC in detail. This memorandum documents the major differences between the Bulletin 132-20 (B132-20) used to calculate the 2021 SOC and the 2020 Rebill amounts from Bulletin 132-19. The data to support the SOC is published in the Bulletin 132-20

Appendix B, which was mailed to the SWP Contractors for their use in analyzing the 2021 SOC.

### **Key Takeaways**

The total charges for 2021 are \$1.304 billion, approximately two percent (\$25.1 million) lower than 2020. Individual billing components fluctuate year-over-year. For the 2021 SOC the decrease is primarily due to the following billing component:

1. Transportation Minimum
  - a. Prior year over-collections.
  - b. Lake Castaic reservoir drawdown due to the start of Intake Tower Seismic Retrofit project in calendar year 2021.

Increases in the following billing components offset the overall decrease from the Transportation Minimum item above:

1. Delta Water Rate – Minimum
  - a. Planned cost increases related to Delta facilities planning and compliance activities.
  - b. Planned O&M field division work activities increased costs at Oroville facilities.
2. Variable Projected Charge
  - a. 2021 Projected Costs increased by \$6 million.
  - b. Decrease in anticipated system revenues to offset energy requirement.

### **Billing Process and Assumptions**

Prior years' changes and assumptions included in the 2021 SOC processes are the following: January 2024 is the assumed billing transition date for Contract Extension and the capital cost projections beyond calendar year 2023 are excluded from the current recovery methodology; the inclusion of Oroville Spillway Emergency Response and Recovery costs; and an updated methodology for 2020 projected S-Series Alpha Allocation factors utilizing five-year average. These changes are discussed in detail below.

## **Contract Extension Billing Transition Date and Effects on Capital Cost Projections**

For the 2021 SOC, the Department received capital cost projections for certain projects with expenditures projected to be incurred through calendar year 2026. Prior to the 2021 Statements of Charges, the Department determined assumptions regarding the contract extension billing transition date which required the removal of projects for calendar years 2024 and beyond related to capital cost projections. This was necessary to reflect the implementation of the future pay-go billing methodology that will occur after the execution of the extended Water Supply Contracts. The Department anticipates the Water Supply Contracts extension amendment to be effective prior to 2024 with the billing transition date assumed to be January 1, 2024. This process change is intended to provide a conservative approach for the collection of the conservation capital billing component, reflecting the pay-go billing transition after execution of the water contract extension amendments. Additionally, transportation capital costs beyond the bill year are included in agricultural contractors cost recovery calculations for their transportation charges, which had a significant impact in the 2021 SOC due to projected subsidence projects starting before the contract extension effective date.

## **Oroville Spillway Emergency: Response and Recovery Costs**

The Oroville Spillway incident occurred in February of 2017. There are two separate aspects of the Oroville Spillway incident, the Oroville Emergency Response effort and Oroville Recovery project. The non-FEMA reimbursable, water supply costs of the Oroville Emergency Response and Recovery were included as they were in the 2020 Rebill. Total cost projections for the Oroville Emergency project total \$1.1 billion for both Response and Recovery efforts. For the 2021 SOC, an assumption of 75 percent FEMA reimbursement was included for both recovery and response costs. In April 2019, DWR issued Water Systems Revenue Bonds series BA to finance the water supply portion of the costs reimbursable by the SWP contractors. The total costs in Series BA were approximately \$228 million reflecting the water supply portion of the 25 percent assumed SWP Contractors' cost share responsibility.

## **Alpha Allocation Factors: Updated S-Series Methodology for 2020 Projected Factors**

The 2020 S-Series allocation used a five-year average (2015-19) of actual costs as the basis for the allocation factors. This decision was made to address the sharp increase in potential allocation factors due to the work that was done at Oroville Complex in 2017 and 2018 related to the Emergency Response and Recovery. The increased work related to the Emergency Response and Recovery effort peaked in 2018 and projected labor at Oroville is expected to decline. A three-year average approach would have led to increased projected allocation factors for Oroville facilities in 2020 cost projections. To align with the expectation of decreased work at Oroville, the 2020 projected allocation factors incorporated a longer-term average to smooth out the inaccurate increase for Oroville facilities that would have been produced. This decision was made with the intention of minimizing variances in allocation factors to reduce volatility in next year's charge calculations.

### **Details of Statement Components**

#### **Conservation Components – Delta Water Rate**

Costs associated with conservation facilities are collected under the Delta Water Rate charge. These costs, both capital and minimum are amortized over the project repayment period of the water supply contracts ending in 2035. To reflect the assumed execution and implementation of the Water Supply Contract Extension amendment, conservation capital cost projections for 2024 and beyond were not included in the calculation. Capital costs beyond 2023 are assumed to be collected on a direct debt service repayment cost recovery methodology under the Contract Extension Amendment terms.

The total Delta Water Rate used in computing the charges for 2021 is \$85.55 per acre-foot for the signers of the Monterey Amendment (signers). The Delta Water Rate is \$3.95 per acre-foot higher than the 2020 Delta Water Rate of \$81.60 per acre-foot for the signers.

The Delta Water Rate for non-signers of the Monterey Amendment (non-signers) increased \$3.82 per acre-foot to \$84.11 for 2021 from the 2020 SOC Delta Water Rate of \$80.29 per acre-foot.

For 2021, the Delta Water Rate capital component increased \$0.10 per acre-foot to \$33.37 per acre-foot for the Monterey Amendment signers. The capital rate stayed flat year-over-year due to relatively leveled projected costs compared to prior year projections. Many projects in the Delta had reduced cost projections such as: SWP Delta Compliance Program Yolo Bypass Restoration Sub-Program Planning & Project Implementation from \$37.6 million to \$13.1 million, Prospect Island Tidal Habitat Restoration from \$16.4 million to \$0, Lookout Slough Tidal Restoration Project from \$32.1 million to \$14.3 million, Salmon Protection Technology Study \$21.7 million to \$0. These reductions were offset by increases to Oroville Field Division cost projections with increased capitalized operations and maintenance planned work and additional dam safety projects.

The Delta Water Rate minimum component increased by \$3.85 per acre-foot from \$48.33 per acre-foot in 2020 to \$52.18 per acre-foot in 2021 for signers. Total minimum cost projections in the Oroville field division for 2020-2022 have increased significantly compared to prior years' projections. These projects include: SWP Dam Safety, Emergency Work Requests, and Oroville Field Division assessment activities. Multiple projects in the Delta field division had increased projections primarily related to the Interagency Ecological Program Contracts, Delta Compliance Monitoring and Bay-Delta Planning Model Development. Multiple new projects related to climate change, estuary monitoring, regulatory compliance, and habitat restoration also attributed to the increased rate.

The specific major programs and projects contributing to the Delta Water Rate minimum component are the following: the Interagency Ecological Program Contracts (2020: \$9.6 million, 2021: \$9.7 million, 2022: \$9.9 million), Delta Operations (2020: \$4.6 million, 2021: \$5.3 million, 2022: \$5.4 million), Bay-Delta Planning Model Development & Evaluation (2020: \$8.7 million, 2021: \$8.7 million, 2022: \$8.7 million), and Oroville



Power Project - P2100 Environmental (2020: \$10.1 million, 2021: \$10.4 million, 2022: \$9.9 million)

The third component of the Delta Water Charge is the conservation replacement accounting system (RAS) charge. There were no planned conservation replacements projects included in the 2021 SOC. There were no historical cost adjustments. The result is no charge to the SWP Contractors for the 2021 SOC. The conservation RAS billing component includes a reserve amount of \$4 million.

### **Transportation Capital Component**

The project interest rate remained unchanged at 4.610 percent. Total charges under the transportation capital billing component for 2021 totaled \$209.7 million, an increase of \$4.6 million from the prior year charges, driven primarily by the increase in 2020 projected costs.

The calculated component decreased by \$2.45 million and amortized charges increased by \$5.53 million resulting in an increase of \$3.08 million in total transportation water supply - capital charges. The debt service amounts due associated with direct debt service projects, Coastal Branch Extension, South Bay Enlargement, and East Branch Extension, remained flat due to the inclusion of Bond Series BA, which is the same as the prior SOC. Tehachapi Afterbay debt service increased by \$1.5 million due to a litigation credit of \$1.5 million being provided in the 2020 SOC.

Calendar year 2020 cost projections saw an increase from \$107 million to \$124 million. The increase is primarily related to new projects that appear in cost projections for the first time. These projects are located along the California Aqueduct, and at Devil Canyon Pumping Plant:

- Old Banks Landfill - \$5.9 million,
- Check 17 Subsidence Rehabilitation - \$3.3 million,
- Pools 17-18 Embankment Rehabilitation - \$2.9 million,
- Devil Canyon Pumping Plant Penstock 1 Lining Rehabilitation Phase 1 - \$3.5 million

For calendar year 2021, cost projections from the 2021 SOC compared to the 2020 SOC decreased overall. Decreases were mainly due to the following projects:

- Pools 20-21 Embankment Rehabilitation decreased from \$22.2 million to \$2.7 million,
- Edmonston Pumping Plant Unit 5 Pump Refurbishment from \$3.6 million to \$0.5 million,
- Perris Dam Remediation Project - Emergency Release Facilities from \$24.2 million to \$6.2 million,
- Castaic Dam Left Abutment Improvements and Piezometer Installation from \$26.0 million to \$0.3 million,
- Edmonston Pumping Plant Unit 14 - Pump Refurbishment was \$5.1 million and was deferred into a later year, and
- Santa Ana Pipeline Repairs at Reach 28H were deferred resulting in \$4.7 million in work being moved to a later year.

Increases in the 2022 cost projections are due to the following new projects:

- Check 17 Subsidence Rehabilitation for \$3.5 million,
- Pools 17-18 Embankment Rehabilitation starting at \$2.3 million,
- Pearblossom Pumping Plant (PBPP) Unit 3 Protective Relay Replacement starting at \$1.2 million, and
- Southern Field Division Physical Security Upgrades Pearblossom O&M Center increasing from \$0.9 million to \$5.8 million.

In 2023, cost projections increased due to the following new projects:

- Check 17 Subsidence Rehabilitation for \$24.4 million,
- Pools 17-18 Embankment Rehabilitation starting at \$56.5 million,
- Pools 20-21 Embankment Rehabilitation \$44.1 million,
- San Joaquin Field Division Canal Liner and Embankment Repairs Reach 8D \$2.4 million,

- Southern Field Division Physical Security Upgrades Pearblossom O&M Center \$5.8 million,
- Protective Relay Replacement P3 PBPP \$1.2 million.

Existing projects also had updated cost projections:

- Chrisman Pumping Plant Unit 3 Pump Refurbishment from \$0.9 million to \$2.4 million,
- Perris Dam Remediation Project - Emergency Release Facilities from \$0.9 million to \$20.0 million,
- Pyramid Radial Gate Seismic Retrofit from \$1.6 million to \$4.1 million,
- Pyramid Low-Level Outlet Improvement from \$1.3 million to \$2.9 million, and
- Coastal Inline Guard Valves Replacement from \$0.1 million to \$2.8 million.

In the previous SOC, cost projections were included through 2021. The 2021 SOC includes projections through year 2023, assuming the billing transition date is January 1, 2024.

All adjustments for over payments or under-collections of past transportation capital component charges are amortized to 2035 as required under Article 24 provisions of the water supply contracts. Currently the over/under adjustments are \$124.9 million for all SWP Contractors.

**Transportation Minimum Operations, Maintenance, Power and Replacement (OMP&R) Component**

The transportation minimum OMP&R charge for 2021 totaled \$270.5 million, a decrease of approximately \$66 million from the 2020 SOC Rebill. This large variance was driven by a true-up of actual field division cost expenditures for calendar year 2020 and the drawdown of Castaic Lake due to the start of Intake Tower Seismic Retrofit project in calendar year 2021.

The 2021 Division of Operations and Maintenance (O&M) baseline budget totaled \$331.1 million, which is \$15.7 million higher than the 2020 SOC baseline cost

projection. The largest programs within the 2021 O&M budget are the following: SWP Operations (\$31.6 million) and South San Joaquin Field Division (\$23 million). The 2021 O&M extraordinary cost projections totaled \$50.4 million, which is \$9.7 million higher than the 2020 SOC extraordinary cost projection.

The 2021 SOC includes a cumulative prior year adjustment resulting in an over-collection of \$13.8 million compared to an under-collection of \$29 million in the 2020 Rebill. As mentioned in the billing process and assumptions section above, the Department's goal is to reduce the annual over-collection and more accurately match transportation minimum revenues with annual expenditures.

While transportation minimum cost projections and total charges stayed relatively flat year-over-year, the distribution of the resulting charges amongst contractors varies significantly in the 2021 SOC. This variance is attributed to the reallocation of O&M field division cost projections and minor over-planning. After the 2020 SOC process, a coordinated effort between SWPAO and O&M to further refine cost projections with historical expenditure patterns and resource loading by each field division was implemented.

### **Transportation Variable OMP&R Component**

The transportation variable OMP&R charge for 2021 is \$330.4 million, which is an increase of \$22.2 million compared to 2020 Rebill. These charges are based on 60 percent of maximum Table A water deliveries for 2021, with total turnout deliveries of 2.70 million acre-feet (MAF), 2.35 MAF flowing through Dos Amigos Pumping Plant, and 1.41 MAF flowing through Edmonston Pumping Plant. The total energy requirement for pumping deliveries in the 2021 SOC is consistent with projections in the 2020 SOC, requiring energy resources of approximately 7,100 GWh.

The 2021 SOC includes a prior years' under-collection adjustment of \$9.17 million. The 2021 SOC under-collection is primarily due to historical cost true-ups and the 2021 projected costs increasing by approximately \$6 million from the 2020 SOC to the 2021 SOC. System-wide energy cost increases were minimal with system revenues decreasing overall. The monthly variable billing component is determined in the initial invoicing rate calculation prepared in late January each bill year. This process with adjustments when needed throughout the calendar year was implemented due to significant variances occurring in water and power operations from initial SOC projections.

The Transportation Replacement Accounting System (RAS) charge is also included in transportation variable OMP&R charge in SOC attachment 5. The 2021 SOC RAS billing component is a credit of \$4.4 million, which is a difference of \$10.35 million compared to the 2020 SOC. There was also a \$7.95 million over-collection from the 2020 SOC that is realized as a decrease to the 2021 bill. The calculated component decreased \$1.10 million from \$4.7 million in the 2020 SOC to \$3.6 million in the 2021 SOC. The decrease in the calculated component is due to decreased projections at Dos Amigos, and decreased projections at Edmonston related to stationary equipment.

### **East Branch Enlargement Transportation Charge**

The East Branch Enlargement (EBE) capital charge increased \$415 thousand to \$36.9 million for the 2021 SOC, which included a \$225 thousand increase in debt service for EBE Phase 1 and a \$5 thousand decrease for EBE Phase 2. The remainder of the

increase in charges is due to prior year over-under adjustments and slight adjustments to several bond series containing the EBE Phase 1 and 2 projects.

The Minimum OMP&R EBE charge decreased \$2.3 million in the 2020 SOC. The decrease is primarily due to an over-under adjustment related to previous year over-payments of \$1.25 million.

### **Water System Revenue Bond Surcharge**

The Water System Revenue Bond (WSRB) Surcharge for 2021 SOC decreased from \$84.27 million to \$83.77 million. Utilizing budgets for all SWP divisions, future capital power project projections were isolated, and a projected debt service repayment schedule was created to determine the WSRB Surcharge in future years. The capital power projects included in the Surcharge are:

1. Thermalito Power Plant Cleanup and Restoration
2. FERC Relicensing for P2100 (Oroville)
3. FERC Relicensing for P2426 (Southern California)
4. Hyatt Power Plant Turbine Refurbishment (2, 4, 6)
5. 2014 Hyatt-Thermalito Capital Cost Movement

These power projects account for \$20.58 million in debt service to meet bond resolution revenue requirements and are ultimately collected under the transportation variable component. This is a decrease of \$133 thousand from the 2020 Rebill amount of \$20.71 million. In addition to debt service, the power projects have bond cover requirements. In order to meet the bond resolution requirements, the power projects debt service and bond cover is included in the WSRB Surcharge and then will be returned to the SWP Contractors at a later date.

### **Water System Revenue Bond Issuance**

Water System Revenue Bonds Series BA issued \$299 million in principal (\$342 million in construction costs). The total debt service and bond cover for water system projects and power facilities needed to meet bond resolution associated with WSRB Series A-BA is \$234 million for the 2021 SOC.

Major capitalized projects included in WSRB Bond Series BA consist of the following:

1. \$231.5 million for Oroville Spillway Emergency Recovery
2. \$44 million for Facility Reconstruction and Improvements
3. \$43.3 million for Delta Facilities Program
4. \$19.1 million for Thermalito Power Plan
5. \$4.1 million for FERC Relicensing
6. \$3.1 million for Perris Dam Remediation

### **Repayment of Off-Aqueduct Power Facilities**

Off-Aqueduct Power facilities (OAP) costs are charged under terms of the contract amendment signed by SWP Contractors in early 1983. The Department exited from the Reid Gardner Unit No. 4 (RG4) contract in July 2013. Additional costs associated with the remediation and separation of the RG4 contract are included in the OAP billing component.

The OAP charge for 2021 is \$6.65 million, which is consistent with the 2020 OAP charge. The remaining costs to be recovered through the OAP billing component include the annual O&M costs of remaining OAP facilities and RG4 remediation costs. The RG4 remediation costs included in the 2021 SOC totaled \$6.5 million. The Department will reallocate 2021 SOC OAP costs in May of 2021 using updated water deliveries and cost projection data.

### **Summary of Revised 2021 SOC (2021 Rebill)**

The 2021 Rebill was sent to the SWP Contractors on January 22, 2021.

The total increase in the 2021 revised SOC was \$23.01 million. In January 2021 agreements were reached with 17 SWP Contractors for the preliminary planning and design costs related to a potential Delta Conveyance Project as authorized by the signed Agreement for the Advance or Contribution of Money to the Department of Water Resources. Sixteen contractors agreed to include a line item charge on their Transportation Minimum Attachment 4B and one SWP Contractor agreed to recover these charges outside the SOC process.

The Department also addressed an additional billing modification to the 2021 Attachment 1 that reflected a reallocation of Water Systems Revenue Bond Surcharge between Surcharge, Power Debt Service and Cover amounts. There was no change to the total net Surcharge payment.

*Table 2. Comparison of 2021 Rebill to the 2021 SOC*  
(\$ shown in thousands)

Components	2021 Rebill			2021 SOC			Change
	Projected Costs	Prior Year Adjustments	Amortized Charge	Projected Costs	Prior Year Adjustments	Amortized Charge	Change
<b>Capital</b>							
Transportation Component	151,191	-	146,688	151,191	-	146,688	-
Debt Service Projects	1,632	-	63,029	1,632	-	63,029	-
East Branch Enlargement	-	-	36,941	-	-	36,941	-
Conservation Component	109,445	-	139,262	109,445	-	139,262	-
WSRB Surcharge	-	-	83,770	-	-	83,770	-
<b>Capital Subtotal</b>			<b>469,691</b>			<b>469,691</b>	-
<b>Minimum</b>							
Transportation Component	307,402	(13,834)	293,567	284,345	(13,834)	270,511	<b>23,056</b>
Conservation Component	233,344	-	217,723	233,344	-	217,723	-
EBE Minimum Component	11,010	(1,250)	9,760	11,010	(1,250)	9,760	-
Conservation RAS	-	-	-	-	-	-	-
<b>Minimum Subtotal</b>		<b>(15,084)</b>	<b>521,051</b>		<b>(15,084)</b>	<b>497,995</b>	<b>23,056</b>
<b>Other (Various)</b>							
Off-Aqueduct Power	-	-	6,650	-	-	6,650	-
Variable Component	325,656	9,173	334,829	325,656	9,173	334,829	-
Transportation RAS	3,548	(7,948)	(4,400)	3,548	(7,948)	(4,400)	-
<b>Subtotal</b>		<b>1,225</b>	<b>337,079</b>		<b>1,225</b>	<b>337,079</b>	-
	-		<b>1,327,821</b>			<b>1,304,765</b>	<b>23,056</b>

\* Conservation costs shown are for the respective bill year only.



**NOTICE TO STATE WATER PROJECT CONTRACTORS****Date: March 23, 2021****Number: 21-06****Subject: 2021 State Water Project Allocation Decrease – 5 Percent****From: Original signed by  
Ted Craddock  
Deputy Director, State Water Project  
Department of Water Resources**

Due to the persistent dry conditions, the Department of Water Resources (DWR) is decreasing the allocation of 2021 State Water Project (SWP) water for long-term contractors from 422,848 acre-feet to 210,266 acre-feet. Based on the recent low amount of precipitation and runoff, and an assessment of overall water supply conditions, SWP supplies are projected to be 5 percent of most SWP contractors' 2021 requested Table A amounts, which totals 4,172,786 AF. Attached is the revised 2021 SWP 5 percent allocation table.

This allocation is made consistent with the long-term water supply contracts and public policy. DWR's approval considered several factors including existing storage in SWP conservation reservoirs, SWP operational constraints such as the conditions of the 2019 Biological Opinions for federally listed species, the 2020 Incidental Take Permit for State listed species and the 2021 SWP contractors' demands. DWR may revise this and any subsequent allocations if warranted by the developing hydrologic and water supply conditions.

To develop the 5 percent schedule, DWR will scale down the current long-term SWP contractors' 15 percent schedules that were submitted in October 2020 (as part of the initial requests), unless SWP contractors submit updated schedules. DWR will send the approved monthly water delivery schedules to the long-term SWP contractors.

If you have any questions or need additional information, please contact John Leahigh, Water Operations Executive Manager, at (916) 651-2447.

Attachment

2021 STATE WATER PROJECT ALLOCATION  
(ACRE-FEET)

SWP CONTRACTORS	TABLE A	INITIAL REQUEST	APPROVED ALLOCATION	PERCENT INITIAL REQUEST APPROVED  (3)/(2) (4)
	(1)	(2)	(3)	(4)
<b><u>FEATHER RIVER</u></b>				
County of Butte	27,500	27,500	3,000	11%
Plumas County FC&WCD	2,700	2,700	135	5%
City of Yuba City	9,600	9,600	480	5%
<b>Subtotal</b>	<b>39,800</b>	<b>39,800</b>	<b>3,615</b>	
<b><u>NORTH BAY</u></b>				
Napa County FC&WCD	29,025	29,025	1,451	5%
Solano County WA	47,756	47,756	2,388	5%
<b>Subtotal</b>	<b>76,781</b>	<b>76,781</b>	<b>3,839</b>	
<b><u>SOUTH BAY</u></b>				
Alameda County FC&WCD, Zone 7	80,619	80,619	4,031	5%
Alameda County WD	42,000	42,000	2,100	5%
Santa Clara Valley WD	100,000	100,000	5,000	5%
<b>Subtotal</b>	<b>222,619</b>	<b>222,619</b>	<b>11,131</b>	
<b><u>SAN JOAQUIN VALLEY</u></b>				
Oak Flat WD	5,700	5,700	285	5%
County of Kings	9,305	9,305	465	5%
Dudley Ridge WD	41,350	41,350	2,068	5%
Empire West Side ID	3,000	3,000	150	5%
Kern County WA	982,730	982,730	49,137	5%
Tulare Lake Basin WSD	87,471	87,471	4,374	5%
<b>Subtotal</b>	<b>1,129,556</b>	<b>1,129,556</b>	<b>56,479</b>	
<b><u>CENTRAL COASTAL</u></b>				
San Luis Obispo County FC&WCD	25,000	25,000	1,250	5%
Santa Barbara County FC&WCD	45,486	45,486	2,274	5%
<b>Subtotal</b>	<b>70,486</b>	<b>70,486</b>	<b>3,524</b>	
<b><u>SOUTHERN CALIFORNIA</u></b>				
Antelope Valley-East Kern WA	144,844	144,844	7,242	5%
Santa Clarita Valley WA	95,200	95,200	4,760	5%
Coachella Valley WD	138,350	138,350	6,918	5%
Crestline-Lake Arrowhead WA	5,800	5,800	290	5%
Desert WA	55,750	55,750	2,788	5%
Littlerock Creek ID	2,300	2,300	115	5%
Metropolitan WDSC	1,911,500	1,911,500	95,575	5%
Mojave WA	89,800	89,800	4,490	5%
Palmdale WD	21,300	21,300	1,065	5%
San Bernardino Valley MWD	102,600	102,600	5,130	5%
San Gabriel Valley MWD	28,800	28,800	1,440	5%
San Geronio Pass WA	17,300	17,300	865	5%
Ventura County WPD	20,000	20,000	1,000	5%
<b>Subtotal</b>	<b>2,633,544</b>	<b>2,633,544</b>	<b>131,678</b>	
<b>TOTAL</b>	<b>4,172,786</b>	<b>4,172,786</b>	<b>210,266</b>	

**NOTICE TO STATE WATER PROJECT CONTRACTORS**

**Date:** December 1, 2021

**Number:** 21-07

**Subject:** 2022 State Water Project Initial Allocation – Minimum Human Health and Safety

**From:** Original signed by

**Ted Craddock**  
**Deputy Director, State Water Project**  
Department of Water Resources

Due to persistent dry conditions over the last several years coupled with the elevated risk of continuing drought conditions, the Department of Water Resources (DWR) will be allocating the initial 2022 State Water Project (SWP) available supplies on a basis that ensures the SWP long-term water supply contractors (Contractors) can meet their outstanding minimum human health and safety demands for water (health and safety allocation). Pursuant to Article 18(a) of the long-term water supply contract between DWR and each of the SWP Contractors, the initial 2022 SWP allocation will be based on minimum unmet water demands to meet domestic supply, fire protection, and sanitation needs (referred to herein as “health and safety” needs) during the year. These health and safety needs are determined to be not more than 55 gallons per capita per day (gpcd), consistent with the recent State Water Resources Control Board (SWRCB) emergency curtailment regulations<sup>1</sup>.

Accordingly, DWR’s initial 2022 SWP allocation is based on the SWP Contractors’ needs for imported SWP water supplies necessary to meet the **unmet** 55 gpcd in their service areas, as identified in the 2022 water delivery schedules submitted to DWR in early October 2021. Consistent with the SWRCB regulations, in determining each SWP Contractor’s allocation, DWR will consider whether feasible alternate supplies are available to meet the identified health and safety needs. If a Contractor’s undelivered SWP water (e.g., SWP water stored outside of the Contractor’s service area under Article 56 of the water supply contracts) can be utilized to meet all or a portion of the Contractor’s minimum health and safety needs, such water shall be used as available. These offsets, some of which have already been identified in the Contractors’ October 2021 submittals, will reduce the SWP Contractor’s health and safety allocation. Exceptions to the 55 gpcd may be requested for the DWR Director’s consideration and approval.<sup>2</sup>

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<sup>1</sup> Cal. Code Regs., tit. 23, §§ 877.1(g), 878.; see also [https://www.waterboards.ca.gov/drought/delta/docs/deltareg\\_oal\\_approval.pdf](https://www.waterboards.ca.gov/drought/delta/docs/deltareg_oal_approval.pdf).

<sup>2</sup> In considering requests for exceptions to the 55 gpcd limit, DWR will apply the criteria set forth in the SWRCB emergency curtailment regulations (see Cal. Code Regs., tit. 23, § 878.1(b)(2)).

***NOTICE TO STATE WATER PROJECT CONTRACTORS***

This initial allocation is consistent with the long-term water supply contracts and public policy. DWR may revise this allocation if there are significant changes to hydrologic and water supply conditions. DWR will also consider any changes to the availability of the Contractors' other supplies that may affect the unmet 55 gpcd calculation. If a Contractor foresees any changes to their original schedule submitted in October 2021, they are requested to communicate such changes to DWR in a timely manner.

If you have any questions or need additional information, please contact John Leahigh, Water Operations Executive Manager, at (916) 902-9876.