

NOTICE TO STATE WATER PROJECT CONTRACTORS

Date: January 20, 2022

Number: 22-01

Subject: 2022 State Water Project Table A Allocation Increase from 0 to 15 Percent

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

Based on the recent precipitation, runoff, and current water supply conditions, the Department of Water Resources (DWR) is increasing the State Water Project (SWP) Table A Allocation to 15 percent of most SWP long-term contractors' 2022 requested Table A amounts. Attached is the revised 2022 SWP allocation table.

Please note that this Table A Allocation will reduce, on a 1:1 basis, any unmet human health and safety need volumes that were previously identified in the SWP contractors' submittals to DWR.

The Table A Allocation increase is made consistent with the long-term water supply contracts, legal requirements, and public policy. In determining available SWP supplies, DWR has considered several factors including existing storage in SWP conservation reservoirs, estimates of future runoff under very dry conditions, SWP operational and regulatory constraints such as, federal Endangered Species Act and California Endangered Species Act requirements, and the 2022 demands of SWP Contractors. DWR may revise this and any subsequent allocations if warranted by the year's developing hydrologic and water supply conditions.

To develop the 15 percent water delivery schedule, DWR will scale up the SWP Contractors' current 5 percent schedules that were submitted in October 2021 (as part of initial requests), unless SWP Contractors submit updated schedules. DWR will provide approved monthly water delivery schedules to the SWP Contractors.

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

Attachment

2022 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)

SWP CONTRACTORS	TABLE A	INITIAL REQUEST	APPROVED ALLOCATION	PERCENT INITIAL REQUEST APPROVED
	(1)	(2)	(3)	(3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	5,000	18%
Plumas County FC&WCD	2,700	2,700	405	15%
City of Yuba City	9,600	9,600	2,400	25%
Subtotal	39,800	39,800	7,805	
<u>NORTH BAY</u>				
Napa County FC&WCD	29,025	29,025	7,256	25%
Solano County WA	47,756	47,756	11,939	25%
Subtotal	76,781	76,781	19,195	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	80,619	80,619	12,093	15%
Alameda County WD	42,000	42,000	6,300	15%
Santa Clara Valley WD	100,000	100,000	15,000	15%
Subtotal	222,619	222,619	33,393	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	855	15%
County of Kings	9,305	9,305	1,396	15%
Dudley Ridge WD	41,350	41,350	6,203	15%
Empire West Side ID	3,000	3,000	450	15%
Kern County WA	982,730	982,730	147,410	15%
Tulare Lake Basin WSD	87,471	87,471	13,121	15%
Subtotal	1,129,556	1,129,556	169,435	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	3,750	15%
Santa Barbara County FC&WCD	45,486	45,486	6,823	15%
Subtotal	70,486	70,486	10,573	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	144,844	144,844	21,727	15%
Santa Clarita Valley WA	95,200	95,200	14,280	15%
Coachella Valley WD	138,350	138,350	20,753	15%
Crestline-Lake Arrowhead WA	5,800	5,800	870	15%
Desert WA	55,750	55,750	8,363	15%
Littlerock Creek ID	2,300	2,300	345	15%
Metropolitan WDSC	1,911,500	1,911,500	286,725	15%
Mojave WA	89,800	89,800	13,470	15%
Palmdale WD	21,300	21,300	3,195	15%
San Bernardino Valley MWD	102,600	102,600	15,390	15%
San Gabriel Valley MWD	28,800	28,800	4,320	15%
San Geronio Pass WA	17,300	17,300	2,595	15%
Ventura County WPD	20,000	20,000	3,000	15%
Subtotal	2,633,544	2,633,544	395,033	
TOTAL	4,172,786	4,172,786	635,434	15%

NOTICE TO STATE WATER PROJECT CONTRACTORS



Date: 2/14/22

Number: 22-02

Subject: Criteria for Bulletin 132-2022

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

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

1. SWP Contractors' Statements of Charges for the calendar year 2023
2. Bulletin 132-2022, "Management of the California State Water Project"
3. Financial analysis studies

If you have any questions, please contact Hong Lin, Financial Manager of the State Water Project at Hong.Lin@water.ca.gov, or Susan Lee of her staff at 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 132-2022
STATE WATER PROJECT OPERATIONS STUDIES**

These criteria provide summaries of the basic operations assumptions to be used in developing the 2023 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 (2022-2026) requests submitted by the SWP Contractors (Contractors) in October 2021 and the long-range (2027-2035) requests submitted by Contractors in October 2021.

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 2021/2022 Flood Control 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) **2022:** The initial operations study for 2022 will assume hydrology sufficient to deliver 2.492 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 2022 water deliveries and water and power operations studies will be reviewed and finalized in May 2022 when the final water supply forecast based on May 1, 2022, snow survey becomes available.

- (b) 2023: SWP operations projected for 2023 are the basis for the 2023 Statements of Charges. The study will assume hydrology sufficient to deliver 2.491 MAF (60 percent of Contractors' projected Table A requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
- (c) 2024: The 2024 studies will assume hydrology sufficient to deliver 2.492 MAF (60 percent of Contractors' projected Table A requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
- (d) 2025: Assume hydrology sufficient to deliver 60 percent of Contractors' projected Table A requests of 2.492 MAF.
- (e) 2026: Assume hydrology sufficient to deliver 60 percent of Contractors' projected Table A requests of 2.492 MAF.
- (f) 2027-2035: Assume hydrology sufficient to deliver 60 percent of Contractors' projected Table A requests of an average 2.492 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, would have included increasing diversions. The viability of SDIP and its separable elements 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. Further planning and evaluation of the permanent operable gates portion of the original SDIP project components is warranted. Specifically, the separable element to replace the South Delta Temporary Agricultural Barriers with permanent operable gates is viable and would benefit SWP operations. In 2022, DWR continued planning and project viability evaluation efforts. If appropriate project financing and partnerships can be established from the on-going efforts, DWR will begin permanent operable gates implementation action planning in 2023, which will include design engineering, environmental documentation preparation, and technical studies.

- 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 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 SWP delivery capability report 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 132-2022, forecasted SWP power resources for the study period will be based on existing SWP generation and power purchases including the three long-term contracts for 184 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 2024.

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 132-2022 is shown in the following table:

FUTURE SWP CAPITAL PROJECTS	Dates for Completion	
	Bulletin 132-2021	Bulletin 132-2022
OROVILLE FACILITIES		
Oroville Dam Spillways Response, Recovery, and Restoration		
Phase 2 - Flood Control Outlet, Terrain Re-grading	2021	2022
Phase 3 - Site Rehabilitation	2025	2031
Thermalito Powerplant Clean-up and Reconstruction	2021	
P2100 FERC Relicensing	2023	2026
DELTA FACILITIES		
Sherman and Twitchell Island Fish Screens	2021	
Yolo Bypass Salmonid Habitat Restoration and Fish Passage Project	2023	2026
CALIFORNIA AQUEDUCT		
California Aqueduct Subsidence Study and Remediation	2030	2030
CALIFORNIA AQUEDUCT - WEST BRANCH		
P2426 FERC Relicensing	2023	2025
CALIFORNIA AQUEDUCT - EAST BRANCH		
Perris Dam Remediation		
Tower Outlet Retrofit	2023	2026
Emergency Release Facility	2025	2025
P2426 FERC Relicensing	2023	2025
OTHER PROJECTS		
Financial Management Enhancements Program	2023	2024
SWP Protective Relay Replacement	2033	2033
SWP Fire Systems Modernization	2030	2032
SWP Dam Safety Program	Annual Recurring	Annual Recurring

TABLE 1

**INTEREST RATES
RECOMMENDED IN PREPARING DATA
FOR 2023 STATEMENTS OF CHARGES, BULLETIN 132-2022
AND DWR FINANCIAL ANALYSIS STUDIES**

Item	Interest Rate <u>Per Year</u> ¹
Interest Rates on future general obligation "Offset" bonds (If assumed sold) ²	1.490 (1.650)
Interest Rate for future Water System Revenue Bonds	1.440 (1.600)
Project Interest Rate for determining Statements of Charges for 2023	4.580 (4.610)
Interest Rate on future short-term investment of SWP funds ³	0.198 (0.698)

¹ For the purposes of DWR studies, these rates are to be used as the effective rates of interest. Figures in parentheses are Bulletin 132-2021 assumptions.

² 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.

³ 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 2023 STATEMENTS OF CHARGES, BULLETIN 132-2022
AND DWR FINANCIAL ANALYSIS STUDIES**

<u>Item</u>	<u>Percent Increase Per Year¹</u>			
	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025-2035</u>
<u>Capital Costs</u>				
State Operations (Salaries and Benefits) ²	0 (0)	3.50 (0)	3.50 (0)	3.50 (4.00)
Construction, Direct Pay	0 (0)	5.04 (3.32)	5.28 (3.22)	5.43 (3.22)
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 Costs³</u>				
State Operations (Salaries and Benefits) ²	0 (0)	3.50 (0)	3.50 (4.00)	3.50 (4.00)

¹ Figures in parentheses are Bulletin 132-2021 assumptions.

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

³ Operation and Maintenance costs for the 2023 Statements of Charges and Bulletin 132-2022 are to be escalated through 2024 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 18, 2022

Number: 22-03

Subject: 2022 State Water Project Table A Allocation Decrease from 15 to 5 Percent

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

Based on the driest January and February in more than 100 years and other aspects of current water supply conditions, the Department of Water Resources (DWR) is decreasing the State Water Project (SWP) Table A Allocation from 15 percent to 5 percent of most SWP long-term contractors' 2022 requested Table A amounts. Attached is the revised 2022 SWP allocation table.

In addition, DWR will continue to allocate water to meet the human health and safety (HH&S) needs as defined in NTC 21-07 issued on December 1, 2021. Please note that this revised Table A Allocation will continue to reduce, on a 1:1 basis, any HH&S need volumes that were previously identified in the SWP contractors' submittals to DWR.

This Table A Allocation decrease is made consistent with the long-term water supply contracts, legal requirements, and public policy. In determining available SWP supplies, DWR has considered several factors including SWP contractors' 2022 demand, existing storage in SWP conservation reservoirs, estimates of future runoff under very dry conditions, SWP operational and regulatory constraints such as, federal Endangered Species Act, California Endangered Species Act requirements, and water rights obligations under the State Water Resources Control Board's authority. DWR may revise this and any subsequent allocations if warranted by the year's developing hydrologic conditions and available SWP water supplies.

To develop the 5 percent water delivery schedule, DWR will utilize the SWP Contractors' 5 percent schedules that were submitted in October 2021 (as part of initial requests), including any subsequent updates that may have been provided to DWR. If a Contractor foresees significant changes to previously submitted schedules (including HH&S needs), they are requested to communicate such changes to DWR at the earliest possible time. DWR will provide approved monthly water delivery schedules to the SWP Contractors.

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

Attachment

Attachment
2022 STATE WATER PROJECT ALLOCATION

SWP CONTRACTORS	TABLE A (Acre-Feet)	INITIAL REQUEST (Acre-Feet)	APPROVED ALLOCATION (Acre-Feet)	PERCENT INITIAL REQUEST APPROVED
	(1)	(2)	(3)	(4) = (3)/(2)
<u>FEATHER RIVER</u>				
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	1,440	15%
Subtotal	39,800	39,800	4,575	
<u>NORTH BAY</u>				
Napa County FC&WCD	29,025	29,025	4,354	15%
Solano County WA	47,756	47,756	7,164	15%
Subtotal	76,781	76,781	11,518	
<u>SOUTH BAY</u>				
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%
Subtotal	222,619	222,619	11,131	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	285	5%
County of Kings	9,305	9,305	466	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%
Subtotal	1,129,556	1,129,556	56,480	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	1,250	5%
Santa Barbara County FC&WCD	45,486	45,486	2,275	5%
Subtotal	70,486	70,486	3,525	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	144,844	144,844	7,243	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%
Subtotal	2,633,544	2,633,544	131,679	
TOTAL	4,172,786	4,172,786	218,908	5%

NOTICE TO STATE WATER PROJECT CONTRACTORS



Date: December 1, 2022

Number: 22-04

Subject: State Water Project Initial 2023 Allocation – 5 Percent with SWP Human Health and Safety Needs

From: Signed by Tony Meyers for
Ted Craddock
Deputy Director, State Water Project
Department of Water Resources

With the close of Water Year 2022 as critically dry, California has experienced its third consecutive dry year. Entering 2023 with the possibility of another dry year occurring, the Department of Water Resources (DWR) is initially allocating 5 percent of most¹ State Water Project (SWP) contractors requested Table A amounts. DWR is also provisionally allocating additional SWP water to ensure that the SWP contractors can meet their minimum water demands for domestic supply, fire protection, and sanitation (referred to herein as “human health and safety (HH&S) needs”) during the year².

The SWP HH&S allocation is made pursuant to Article 18(a) of the long-term water supply contract between DWR and each of the SWP contractors, and pursuant to the “Guidelines for State Water Project Allocation for Human Health and Safety Needs Pursuant to Article 18a of Water Supply Contracts,” August 31, 2022 (Attachment B). As described in Attachment B, SWP HH&S needs are determined to be no more than 55 gallons per capita per day, consistent with the State Water Resources Control Board emergency curtailment regulations adopted on August 12, 2022.³

In determining available SWP supplies, DWR has considered several factors including SWP contractors’ projected 2023 demands, existing storage in SWP conservation

¹ Attachment A presents these initial allocations.

² DWR’s provisional allocation for HH&S is subject to the contractors providing substantiating documentation of their unmet HH&S needs and subject to DWR’s confirmation according to the 2023 SWP HH&S Guidelines (Attachment B).

³ Cal. Code Regs., tit. 23, §§ 877.1(h), 878.1; see also

<https://www.waterboards.ca.gov/drought/delta/docs/2022/20220812-reg-oal-approved.pdf>

facilities, estimates of future runoff under very dry conditions, SWP operational and regulatory requirements from the federal Endangered Species Act and California Endangered Species Act, and water rights obligations under the SWRCB's authority. DWR may revise the SWP allocation if warranted by the year's developing hydrologic conditions and available SWP water supplies.

To develop the 5 percent water delivery schedule, DWR will utilize the 5 percent schedules submitted by the Contractors in October 2022 (as part of initial requests), including any subsequent updates that may have been provided to DWR. DWR will utilize the SWP HH&S needs schedules received from the contractors in November 2022 for the SWP HH&S delivery schedule. If a contractor foresees any changes to their water delivery schedule, please communicate such changes with DWR in a timely manner. Advanced Table A supplies will remain available for those Contractors with that contractual right if the Contractor is not requesting an SWP HH&S Allocation.

If you have any questions or need additional information, please contact John Leahigh, Assistant Division Manager, Water Management, SWP Division of Operations and Maintenance, at (916) 902-9876.

Attachment A: 2023 SWP Allocation Table

Attachment B: Guidelines for State Water Project Allocation for Human Health and Safety Needs Pursuant to Article 18a of Water Supply Contracts; August 31, 2022

Attachment A
2023 STATE WATER PROJECT ALLOCATION
12/1/2022

SWP CONTRACTORS	TABLE A (Acre-Feet)	TABLE A INITIAL REQUEST (Acre-Feet)	TABLE A APPROVED ALLOCATION (Acre-Feet)	TABLE A PERCENT INITIAL REQUEST APPROVED	HH&S INITIAL REQUEST* (acre-feet)
	(1)	(2)	(3)	(4) = (3)/(2)	(5)
<u>FEATHER RIVER</u>					
County of Butte	27,500	27,500	3,000	11%	0
Plumas County FC&WCD	2,700	2,700	135	5%	0
City of Yuba City	9,600	9,600	1,440	15%	0
Subtotal	39,800	39,800	4,575		
<u>NORTH BAY</u>					
Napa County FC&WCD	29,025	29,025	4,354	15%	0
Solano County WA	47,756	47,756	7,164	15%	0
Subtotal	76,781	76,781	11,518		
<u>SOUTH BAY</u>					
Alameda County FC&WCD, Zone 7	80,619	80,619	4,031	5%	0
Alameda County WD	42,000	42,000	2,100	5%	0
Santa Clara Valley WD	100,000	100,000	5,000	5%	48,806
Subtotal	222,619	222,619	11,131		48,806
<u>SAN JOAQUIN VALLEY</u>					
Oak Flat WD	5,700	5,700	285	5%	0
County of Kings	9,305	9,305	466	5%	51
Dudley Ridge WD	41,350	41,350	2,068	5%	0
Empire West Side ID	3,000	3,000	150	5%	0
Kern County WA	982,730	982,730	49,137	5%	0
Tulare Lake Basin WSD	87,471	87,471	4,374	5%	0
Subtotal	1,129,556	1,129,556	56,480		51
<u>CENTRAL COASTAL</u>					
San Luis Obispo County FC&WCD	25,000	25,000	1,250	5%	0
Santa Barbara County FC&WCD	45,486	45,486	2,275	5%	0
Subtotal	70,486	70,486	3,525		0
<u>SOUTHERN CALIFORNIA</u>					
Antelope Valley-East Kern WA	144,844	144,844	7,243	5%	7,053
Santa Clarita Valley WA	95,200	95,200	4,760	5%	0
Coachella Valley WD	138,350	138,350	6,918	5%	0
Crestline-Lake Arrowhead WA	5,800	5,800	290	5%	0
Desert WA	55,750	55,750	2,788	5%	0
Littlerock Creek ID	2,300	2,300	115	5%	0
Metropolitan WDSC	1,911,500	1,911,500	95,575	5%	195,449
Mojave WA	89,800	89,800	4,490	5%	0
Palmdale WD	21,300	21,300	1,065	5%	0
San Bernardino Valley MWD	102,600	102,600	5,130	5%	0
San Gabriel Valley MWD	28,800	28,800	1,440	5%	0
San Geronio Pass WA	17,300	17,300	865	5%	0
Ventura County WPD	20,000	20,000	1,000	5%	0
Subtotal	2,633,544	2,633,544	131,679		202,502
TOTAL	4,172,786	4,172,786	218,908	5%	251,359

* DWR's provisional allocation for HH&S is subject to the contractors providing substantiating documentation of their unmet HH&S needs and subject to DWR's confirmation according to the 2023 SWP HH&S Guidelines (Attachment B).

Guidelines for State Water Project Allocation for Human Health and Safety Needs Pursuant to Article 18a of Water Supply Contracts

On March 28, 2022, the California Department of Water Resources (DWR) released “Draft Guidelines for State Water Project Allocation for Human Health and Safety Need Pursuant to Article 18a of Water Supply Contracts.”¹ That document is applicable to calendar year 2022 State Water Project (SWP) Human Health and Safety (HH&S) allocation administration, including the future payback of 2022 *SWP HH&S deliveries*.

This document presents guidance to the SWP Contractors (Contractor or Contractors) on how DWR administers SWP allocations during times of shortage to meet the “*minimum demands of contractors for domestic supply, fire protection, or sanitation,*” due to drought or any other cause pursuant to Article 18a of the Water Supply Contracts for calendar years 2023 and beyond, including the payback of *SWP HH&S deliveries* in 2023 and beyond. This document stays effective until amended. These guidelines are subject to any Executive Orders or emergency proclamations issued by the California Governor, and any curtailment notices, orders or resolutions adopted by the State Water Resources Control Board (Board) that approve or implement emergency regulations regarding water conservation and/or water use. Any exception to these guidelines is subject to and at the DWR Director’s discretion.

Background

Since 2020 California has experienced extended dry conditions that led the Board to adopt emergency regulations to curtail water rights in many California watersheds, including the Sacramento-San Joaquin Delta (Delta)². Among other things, the Board’s curtailment orders ensure continued protection of water supplies necessary to meet human health and safety needs³ consistent with the State policies declaring water supplies for consumption, sanitation, and cooking as a human right (Water Code § 106.3); identifying domestic use as the highest water use (Water Code § 106); and providing water suppliers with authority to declare a water shortage emergency to allow sufficient water for human consumption, sanitation, and fire protection (Water Code § 350). Article 18a in the SWP Water Supply Contracts provides that, in any year in which a shortage in the supply of project water available for delivery to the Contractors may occur due to drought or any other cause, DWR may allocate the available SWP supplies “on some other basis if such is required to meet minimum demands of contractors for domestic supply, fire protection, or sanitation during the year.”

¹ See Attachment 1.

² See Attachment 2 for emergency regulations adopted by the Board on August 12, 2022.

³ See Attachment 2 Cal. Code Regs., tit. 24, §878.1.

Definitions

For clarity, the following terms are used within this document.

- *SWP HH&S needs* – Unmet water needs for domestic supply, fire protection,⁴ or sanitation within a Contractor's service area for that calendar year after using current year Table A water (if allocated), previously allocated but undelivered SWP surface water and other supplies.
- *SWP HH&S allocation* – SWP allocation made in a specific calendar year to meet *SWP HH&S needs* for that year.
- *SWP HH&S deliveries* – Water delivered under *SWP HH&S allocation*, classified by calendar year.
- *SWP HH&S balance* – The sum of a Contractor's *SWP HH&S deliveries*, classified by calendar year, less any amounts of *SWP HH&S payback*.
- *SWP HH&S payback* – Table A water relinquished by a Contractor to reduce or eliminate its *SWP HH&S balance*.
- *SWP HH&S payback year* – A calendar year in which a Contractor is required to relinquish its allocated Table A water to DWR to reduce or eliminate the Contractor's *SWP HH&S balance*.

SWP HH&S deliveries are considered SWP project water pursuant to Water Supply Contracts between DWR and each Contractor and are subject to conveyance charges and *SWP HH&S payback*. Prior to receiving *SWP HH&S allocation*, Contractors must provide documentation of actions, including but not limited to, implementation status of Water Shortage Contingency Plan, conservation measures, conjunctive use practices, and acquisition of alternate supplies to reduce and meet demands within their SWP service area.

SWP HH&S Needs

The followings are steps in the SWP HH&S calculation form to determine a Contractor's monthly *SWP HH&S needs* for a calendar year based on its current population:

- Step 1:** Human health and safety needs of a Contractor is equal to 55 gallons per capita per day (gpcd) multiplied by the entire population inside its service area that can receive SWP water.⁵ In considering requests for exceptions, DWR will consider criteria set forth in any then applicable Board emergency curtailment regulations.

⁴ See Attachment 2 for emergency regulations related to water use for fire protection (Cal. Code Regs., tit. 23, §877.1 and 878.1). See Attachment 3 for the July 5, 2022 request from Metropolitan Water District of Southern California for additional SWP water for wildfire prevention and Attachment 4 for the July 26, 2022 joint reply from DWR and CALFIRE.

⁵ This amount is based on the Board's current regulations. See Attachment 1 Cal. Code Regs., tit. 23, §878.1(b).

Step 2: Each Contractor shall identify SWP water supplies available to meet human health and safety needs from Step 1 within any applicable physical and contractual constraints. Each Contractor must identify:

1. Current year Table A allocation; and
2. Previously allocated but undelivered SWP surface water, which includes water provided under Article 12(e) and Article 14(b), and Article 56(c) water stored in a project surface water conservation facility (excluding previously banked groundwater).

Step 3: Each Contractor shall assess and identify other supplies available to meet human health and safety needs from Step 1.

Result: Monthly *SWP HH&S needs* of a Contractor is equal to human health and safety needs from Step 1, minus SWP supplies from Step 2, minus other supplies from Step 3.

DWR may require additional substantiating information from a Contractor to confirm the requested *SWP HH&S needs*. SWP HH&S calculations and re-calculations are subject to confirmation by DWR.

SWP HH&S Allocation

At any point in a calendar year, there are three potential allocation scenarios involving *SWP HH&S allocation*:

1. *SWP HH&S allocation only* – Due to limited water supplies, there is only *SWP HH&S allocation* for Contractors with *SWP HH&S needs* and zero Table A allocation for those without any *SWP HH&S needs*.
2. Hybrid: *SWP HH&S allocation* and Table A allocation – This happens when at least some Contractors receive both Table A and *SWP HH&S allocation* to help meet their human health and safety needs. If, during this same year, water supply conditions improve resulting in DWR increasing its Table A allocation, such Table A allocation increases will replace a recipient Contractor's *SWP HH&S deliveries* plus its remaining *SWP HH&S allocation* on a 1 acre-foot to 1 acre-foot basis.

For Example: A year starts with a Table A allocation of zero percent (0%). A Contractor has *SWP HH&S needs* of 300 acre-feet for that year. In the first month, this Contractor takes delivery of 15 acre-feet of *SWP HH&S deliveries*. In the second month of the year, DWR increases the Table A allocation resulting in the Contractor receiving 200 acre-feet of Table A water. After the allocation increase, DWR reclassifies the 15 acre-feet of *SWP HH&S deliveries* as Table A deliveries, and the Contractor will retain a supply of 185 acre-feet of its Table A water available for delivery for the remaining months of that year. This Contractor's recalculated

SWP HH&S needs are now 100 acre-feet for the remainder of the year.

3. Table A allocation – After initially providing *SWP HH&S allocation* to some Contractors based on their *SWP HH&S needs*, DWR increases the Table A allocation to the amount sufficient to meet human health and safety needs for all Contractors. All prior *SWP HH&S deliveries* to Contractors in that year are reclassified as Table A deliveries.

The following are conditions for receiving a *SWP HH&S allocation*:

1. A Contractor shall not transfer or exchange its *SWP HH&S allocation*, except for operational exchanges to minimize conveyance losses.
2. A Contractor receiving a *SWP HH&S allocation* or with an outstanding *SWP HH&S balance* will be prohibited from providing water for transfers and exchanges of its current year's Table A allocations and Article 56 carryover water stored in a project surface water conservation facility.⁶
3. A Contractor requesting *SWP HH&S allocation* must provide the implementation status of its Water Shortage Contingency Plan and certify measures such as conservation, conjunctive use, or other supply acquisition and utilization actions to DWR.
4. Unused *SWP HH&S allocation* is forfeited at the end of the calendar year and cannot be carried over to future years.

SWP HH&S Deliveries

A Contractor may stop or suspend taking *SWP HH&S deliveries* upon notification to DWR. All Contractors requesting *SWP HH&S deliveries* are responsible for coordinating delivery points and rates through their normal contacts at DWR Headquarters and the various DWR field divisions.

Conveyance charges for *SWP HH&S deliveries* shall be the same as for SWP project water deliveries and shall include transportation, variable operation, maintenance, power, and replacement (OMP&R) component charges, Off Aqueduct power facility charges, and any incremental OMP&R costs, as determined by DWR pursuant to each Contractor's Water Supply Contract.

SWP HH&S Payback

Contractors that have received *SWP HH&S deliveries* are required to relinquish to DWR allocated Table A water on a one acre-foot to one acre-foot basis as *SWP HH&S payback*

⁶ Exception: Transfers made from one Contractor's service area to another Contractor's service area on behalf of a landowner in both Contractors' service areas to better manage the landowner's water supplies (common landowner transfer) are not subject to this provision.

within five calendar years of receiving the *SWP HH&S deliveries*, regardless of Table A allocation percentages during the intervening years.

SWP HH&S payback may occur in any year within the five-calendar year period but must occur when a calendar year’s final Table A allocation is 40 percent or greater (hereinafter referred to as an *SWP HH&S payback year*). During each *SWP HH&S payback year*, each Contractor with a *SWP HH&S balance* is required to relinquish to DWR a minimum of 5 percent of its Maximum Annual Table A amount, or its outstanding *SWP HH&S balance(s)* if that balance is lower than 5 percent of its Maximum Annual Table A amount.

If a Contractor fails to relinquish water to DWR to eliminate a year-specific *SWP HH&S balance* that is approaching five years old as prescribed herein, after consultation with the Contractor, DWR will deduct the amount of Table A water necessary to eliminate the year-specific *SWP HH&S balance* when it becomes five years old. *SWP HH&S balances* are not subject to cancellation. All *SWP HH&S payback* water will become part of the overall SWP supply.

For Example: A Contractor, whose Maximum Annual Table A Amount is 2,000 acre-feet, has encumbered an *SWP HH&S balance* of 200 acre-feet in 2023, Year 0. Payback over years 1 through 5 could be accomplished as shown in Table 2.

Table 2: SWP HH&S Payback Example based on Hypothetical Conditions for a Contractor with Maximum Annual Table A Amount of 2,000 acre-feet (af)

Calendar Year(s)	Year	Final Allocation		Table A Relinquished		2023 SWP HH&S Balance (af)	Remaining Allocation Available	
		%***	af	%***	af		%***	af
2023	0	-	-	-	-	200	-	-
2024	1	20	400	0	0	200	20	400
2025*	2	50	1,000	5	100	100	45	900
2026	3	35	700	2.5	50	50	32.5	650
2027	4	30	600	0	0	50	30	600
2028**	5	35	700	2.5	50	0	32.5	650

* 2025 in this example is an *SWP HH&S payback year*, due to its final SWP allocation greater than 40 percent, so a mandatory minimum payback of 5% of a Contractor’s Maximum Annual Table A Amount is required to be relinquished.

** 2028 in this example is Year 5, when the Contractors’ remaining *SWP HH&S balance* is due to be paid back.

*** Percent of SWP Water Supply Contract Maximum Annual Table A Amount

Scheduling

When preparing initial water delivery schedules for 2023, Contractors shall submit a SWP HH&S calculation form for the 0% Table A allocation scenario.

After *SWP HH&S allocation* is confirmed by DWR for a Contractor, it is the Contractor’s responsibility to update and submit water delivery schedules to DWR according to Water Supply Contract Article 12 to reflect the SWP project water supplies used to help meet its

human health and safety needs, and to reflect the confirmed *SWP HH&S allocation*, in a timely manner.

SWP HH&S Delivery Records

All *SWP HH&S needs* calculation forms submitted to DWR will be reviewed in a timely manner. After DWR confirms calculations are consistent with this document, the *SWP HH&S needs* calculation form will be provided to all Contractors. DWR will also provide to all Contractors, on a monthly basis, a detailed accounting for *SWP HH&S needs, allocation, and deliveries* for the current year, and *SWP HH&S balances* and *payback*. DWR intends to utilize the SWC Water Operations Committee meetings to provide status updates of *SWP HH&S needs and deliveries*.

Points of Contact

Accompanying these guidelines is an *SWP HH&S* calculation form to be utilized by Contractors planning for or requesting *SWP HH&S allocation*. Please reach out to DWR Managers Anna Fock at anna.fock@water.ca.gov or Patrick Luzuriaga at patrick.luzuriaga@water.ca.gov for the form or with questions or comments related to these guidelines.

Attachments [available separately]

Attachment 1: “Draft Guidelines for State Water Project Allocation for Human Health and Safety Need Pursuant to Article 18a of Water Supply Contracts” by DWR on March 28, 2022

Attachment 2: Emergency regulations to curtail water diversions in the Delta Watershed effective on August 12, 2022 and to expire on August 14, 2023

Attachment 3: Letter from Metropolitan Water District of Southern California for additional SWP water for wildfire prevention on July 5, 2022

Attachment 4: Joint reply from DWR and CALFIRE to Metropolitan Water District of Southern California on July 26, 2022, regarding additional SWP water for wildfire prevention