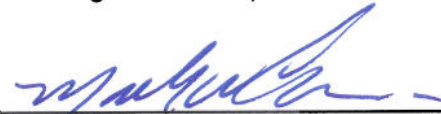


Notice to SWP Contractors

13-01

Not published

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** JAN 23 2013**Number:** 13-02**Subject:** Central Valley Project Water System Revenue Bonds, Series AL
Par Amount: \$105,875,000
Closing Date: September 5, 2012**From:**
Mark W. Cowin, Director
Department of Water Resources**Summary of Financing Results**

The Department of Water Resources (DWR) issued Bond Series AL to refund \$105.9 million of bonds outstanding for Series X and Z. DWR delivered Series AL on September 5, 2012 pursuant to a purchase agreement executed on March 13, 2012 among the Department, the State Treasurer and the Underwriters. The net present value savings achieved was \$19.1 million, or 15.7 percent of refunded bonds. DWR entered the municipal market at a time of historically low interest rates and was able to take advantage of extremely low borrowing costs. A summary of the financing results is provided in Table 1 below.

Table 1: Summary of Financing Results

	Series AL
Delivery Date	9/5/2012
Par Amount Refunded	\$ 121,945,000
Net Present Value Savings	\$ 19,144,811
Percentage Savings of Refunded Bonds	15.7%
Average Coupon of Refunded Bonds	4.98%
Average Life of Refunded Bonds	7.1
All-in True Interest Cost (TIC)	2.33%

NOTICE TO STATE WATER PROJECT CONTRACTORS

State Water Contractors

JAN 23 2013
Page 2**Summary of Cash Flow Savings**

The significant savings DWR achieved on the financing will provide cash flow relief over the next 18 years. Below in Table 2 is a summary of yearly savings to the Department as a result of refunding each of the Bond Series X, and Z.

Table 2: Summary of Savings Results
Series AL

Year	Annual Savings
12/1/12	502,763
12/1/13	3,284,454
12/1/14	1,314,019
12/1/15	1,236,413
12/1/16	1,273,783
12/1/17	1,304,308
12/1/18	1,219,594
12/1/19	2,022,269
12/1/20	671,239
12/1/21	2,660,489
12/1/22	2,594,739
12/1/23	1,469,070
12/1/24	944,000
12/1/25	408,250
12/1/26	407,250
12/1/27	405,500
12/1/28	408,000
12/1/29	409,500
Total Savings	<u>\$ 22,535,637</u>
Net Present Value Savings	<u>\$ 19,114,811</u>

If you have any questions, please contact Perla Netto-Brown, Chief of DWR's Division of Fiscal Services at (916) 653-9836

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** JAN 23 2013**Number:** 13-03

Subject: Central Valley Project Water System Revenue Bonds, Series AN and AO
 Par Amount: Series AN \$ 49,525,000, Series AO \$317,505,000
 Closing Dates: September 27, 2012

From:


 Mark W. Cowin, Director
 Department of Water Resources

Summary of Financing Results

The Department of Water Resources (DWR) issued Bond Series AN and AO to refund \$298.3 million of bonds outstanding for Series AC and AD. DWR delivered Series AN and AO on September 27, 2012 pursuant to a purchase agreement executed on September 19, 2012 among the Department, the State Treasurer and the Underwriters.

The \$49.5 million tax-exempt Series AN Bonds were issued to retire DWR's \$44.8 million outstanding commercial paper notes, and advance refund \$12.5 million of the outstanding Series AD Bonds. The Series AO bonds advance refunded \$285.8 million of Series AC and AD bonds on a taxable basis. The combined net present value savings achieved was \$26.5 million or 8.89 percent of refunded bonds. DWR entered the municipal market at a time of historically low interest rates and was able to take advantage of extremely low borrowing costs. A summary of the financing results is provided in Table 1 below.

Table 1: Summary of Financing Results

	Series AN (Tax-Exempt)	Series AO (Taxable)	Total
Delivery Date	9/27/2012	9/27/2012	
Par Amount Refunded	\$ 12,550,000	\$ 285,790,000	\$ 298,340,000
Net Present Value Savings	\$ 1,312,027	\$ 25,221,589	\$ 26,533,616
Percentage Savings of Refunded Bonds	10.5%	8.8%	8.9%
CP Refunded (Last maturity in 2035)	\$ 44,807,069	\$ -	\$ 44,807,069
Average Coupon of Refunded Bonds	4.97%	4.99%	4.99%
Average Life of Refunded Bonds	9.3	9.2	9.2
All-in True Interest Cost (TIC)	2.98%	2.54%	2.63%

NOTICE TO STATE WATER PROJECT CONTRACTORS

State Water Contractors

JAN 23 2013
Page 2**Summary of Cash Flow Savings**

The significant savings DWR achieved on the financing will provide cash flow relief over the next 18 years. Below in Table 2 is a summary of yearly savings to the Department as a result of refunding the Bond Series AC and AD.

Table 2: Summary of Savings Results
Series AN and AO

Year	Annual Savings
12/1/12	\$ 1,162,784
12/1/13	7,470,875
12/1/14	7,470,875
12/1/15	1,480,875
12/1/16	936,260
12/1/17	1,089,892
12/1/18	1,363,897
12/1/19	1,265,931
12/1/20	1,161,140
12/1/21	1,305,504
12/1/22	1,279,308
12/1/23	659,029
12/1/24	666,299
12/1/25	673,532
12/1/26	681,702
12/1/27	1,115,689
12/1/28	182,447
12/1/29	66,450
Total Savings	<u>\$ 30,032,489</u>
Net Present Value Savings	<u>\$ 26,533,616</u>

If you have any questions, please contact Perla Netto-Brown, Chief of DWR's Division of Fiscal Services at (916) 653-9836.

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** FEB 12 2013**Number:** 13-04**Subject:** 2013 Turn-Back Pool Program**From:**

A blue ink signature of Carl A. Torgersen, Deputy Director, is written over a horizontal line.

Carl A. Torgersen
Deputy Director
Department of Water Resources

The Department of Water Resources (DWR) is offering a 2013 Turn-Back Water Pool Program (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. A 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 2013.

To participate in the 2013 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 mrисney@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 Mark Risney at (916) 653-3711 or Mark's supervisor, Reza Zamanian, at (916) 653-4635.

Attachments

Attachment A
2013 Turn-Back Water Pool Program

Terms and Conditions

1. The 2013 Turn-Back Water Pools are subject to Article 56 of the Water Supply Contracts.
2. A SWP contractor may sell allocated 2013 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 2013, and (2) the contractor has not elected to carry over Table A water from 2012 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 2013 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 2013 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 2013 Turn-Back Water Pool Program shall not be a precedent for future programs.
10. A 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, 2013 for Pool A water sales and on or before 12:01 p.m., March 15, 2013 for Pool B water sales. It is acceptable to submit a signature page by e-mail to Mark Risney at mrisney@water.ca.gov and Reza Zamanian at zamanian@water.ca.gov in order to meet the deadline; however, an original signature must be submitted as soon as possible afterwards.
11. A 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, 2013 for Pool A water purchases and on or before 12:01 p.m., April 1, 2013 for Pool B water purchases. It is acceptable to submit a signature page by e-mail to Mark Risney at mrисney@water.ca.gov and Reza Zamanian at zamanian@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 \$23.17 (50 percent of the 2013 Delta Water Rate) for each acre-foot of water purchased or sold. Also, the price for Pool B water will be \$11.58 (25 percent of the 2013 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 2013 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, 2013.
16. DWR will finalize the allocation of sales and purchases of Pool B water on June 1, 2013. 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, 2013 will be allowed to participate. No reallocation of sales or purchases will be done after June 1, 2013.

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, 2013 for Pool A water and by no later than 12:01 p.m., April 15, 2013 for Pool B water.
18. DWR shall decide by April 22, 2013 whether to purchase any portion of Pool A water remaining unsold on that date.

AGREEMENT TO SELL/PURCHASE 2013 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, 2013 (Percent)	Amount to Sell (Acre-Feet)	Amount to Buy (Acre-Feet)
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

Chief, State Water Project Analysis Office

AGREEMENT TO SELL/PURCHASE 2013 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, 2013 (Percent)	Amount to Sell (Acre-Feet)	Amount to Buy (Acre-Feet)
40		
45		
50		
55		
60		
65		
70		
75		
80		
85		
90		
95		
100		

Authorized Representative
Signature

STATE OF CALIFORNIA
DEPARTMENT OF WATER RESOURCES

Chief, State Water Project Analysis Office

Agency

Date

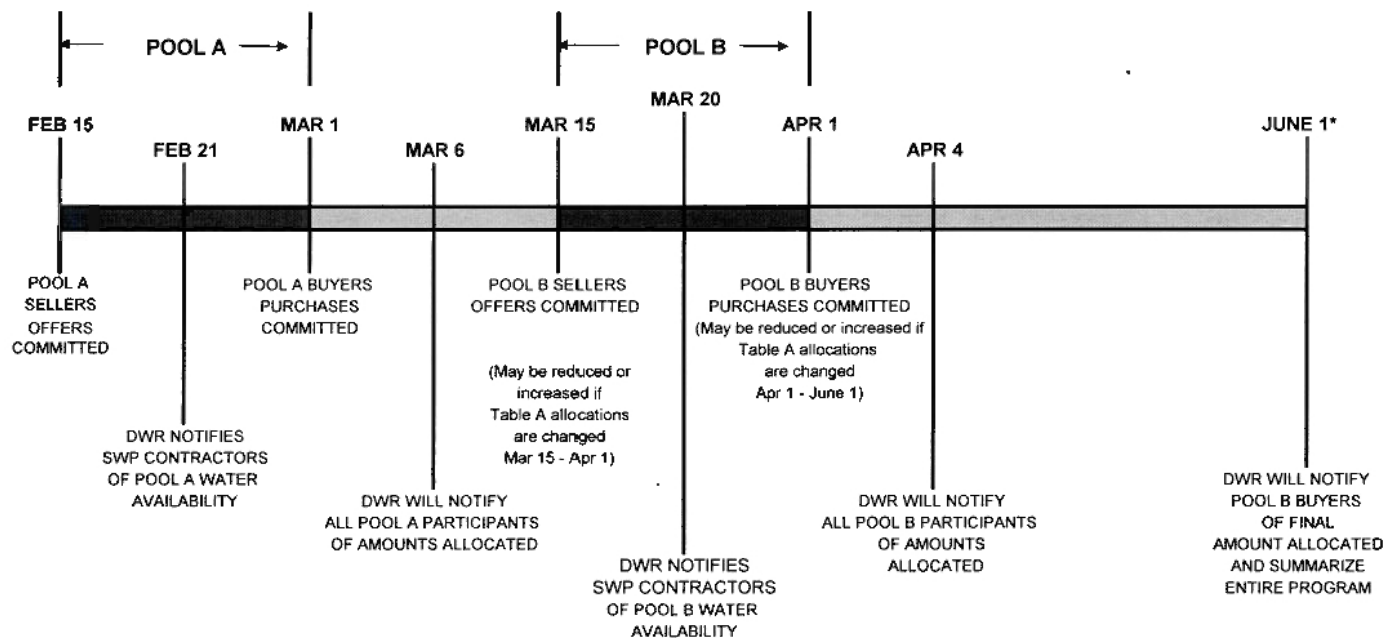
Contact Person

Email

Telephone

2013 TURN-BACK POOL SCHEDULE

Attachment B



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

SWPAO
1/23/2013

NOTICE TO STATE WATER PROJECT CONTRACTORS

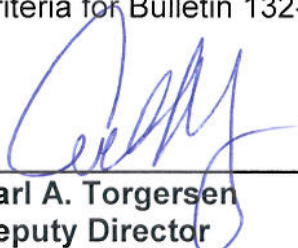


Date: JAN 29 2013

Number: 13-05

Subject: Criteria for Bulletin 132-13

From:



Carl A. Torgersen
Deputy Director
Department of Water Resources

Attached for your information are copies of "Criteria for Bulletin 132-2013 Project Operations Studies" and "Interest and Escalation Rates for Preparing Bulletin 132-2013."

These criteria are being used by the Department of Water Resources (DWR) to prepare information for Bulletin 132-2013, "Management of the California State Water Project" and to determine Water Contractors' Statements of Charges for the year 2014.

If you have any questions, please contact Robert Cooke, Chief of DWR's State Water Project Analysis Office, at (916) 653-5945, or you may call Susan Lee of his staff at (916) 653-1894.

Attachment

CRITERIA FOR BULLETIN 132-13 STATE WATER PROJECT OPERATIONS STUDIES

These criteria provide summaries of the basic operations assumptions to be used in developing the 2014 Statement of Charges. Actual 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 (2013-2017) requests submitted by the SWP Contractors (Contractors) in October 2012 and the long-range (2018-2035) requests submitted by the Contractors in October 2012.
2. **Water Supply:** The water and power operations studies will reflect compliance with the long-term NMFS Salmonids, Green Sturgeon and Killer Whales Biological and Conference Opinion issued June 4, 2009; the long-term USFWS Delta Smelt Biological Opinion issued December 15, 2008; the Incidental Take Permit for Longfin Smelt issued February 23, 2009; and the March 15, 2000 revision of the December 1999 Water Right Decision 1641. The water supply assumed for water and power operation studies will be as follows:
 - (a) 2013 – The initial operations study for 2013 will assume hydrology sufficient to deliver 2.477 MAF (60 percent of Contractors' projected Table A requests). Projections of power generation at Oroville will be based on the Oroville Reservoir inflow from the same hydrology. For generation at Pine Flat Reservoir, lower quartile inflow will be assumed. The 2013 water deliveries and water and power operations studies will be reviewed and finalized in May 2013 when the final water supply forecast based on May 1, 2013 snow surveys becomes available.
 - (b) 2014 – SWP operations projected for 2014 are the basis for the 2014 Statements of Charges. The study will assume hydrology sufficient to deliver 2.478 MAF (60 percent of Contractors' projected Table A requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
 - (c) 2015 – The 2015 studies will assume hydrology sufficient to deliver 2.479 MAF (60 percent of Contractors' projected Table A requests). Lower quartile inflow will be assumed for Pine Flat generating facilities.
 - (d) 2016 – Assume hydrology sufficient to deliver 60 percent of Contractors' projected Table A requests of 2.479 MAF.
 - (e) 2017 – Assume hydrology sufficient to deliver 60 percent of Contractors' projected Table A requests of 2.479 MAF.
 - (f) 2018 – Assume hydrology sufficient to deliver 60 percent of Contractors' projected Table A requests of 2.483 MAF.

- (g) 2019-2035 – Assume hydrology sufficient to deliver 60 percent of Contractors' projected Table A requests of an average 2.484 MAF.

3. **Water Supply Augmentation:**

- (a) Delta Pumps. The total capacity of Banks Pumping Plant is 10,300 cfs; however, actual daily pumping volumes 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 is 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 are proposed to be implemented under Stage 1 of the SDIP. Stage 2 of the SDIP which would include increasing diversions, has been deferred indefinitely in view of the pelagic organism decline in the Delta. Facilities in the SDIP include the following:
- ◆ Construction of four flow control structures (gates). Three gates are proposed in South Delta channels to control water levels and circulation in the South Delta. The fourth gate will provide protection for salmon migrating along the San Joaquin River (SDIP Stage 1).
 - ◆ Selected channel dredging in the South Delta and modification of local diversion structures. Several miles of river channels are proposed to be dredged to reduce the need to operate gates for water stage. Twenty-four shallow agricultural diversions will be extended to ensure access to water (SDIP Stage 1).
- (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 SWP retains the right to recover 15,000 acre-feet under the recovery agreement with KCWA. Additionally, under the 1990 Demonstration Program, the SWP retains the right to 20,065 acre-feet currently stored in Semitropic Water Storage District. The SWP recovered 10,033 acre-feet of previously stored water in Semitropic Water Storage District during 2010. The remaining amount (10,033 acre-feet) will be recovered before 2020.
- (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:** Energy prices in the western states' power market have historically been highest during the on-peak hours and summer months. To minimize power costs, aqueduct operation will be optimized by minimizing on-peak pumping within operating criteria constraints.

For Bulletin 132-13, forecasted SWP power resources for the study period will be based on existing SWP generation and long-term power purchases including the purchase of 33.5 percent of the output from the Lodi Energy Center (LEC), a 280 megawatt natural gas-fired combined cycle power plant, which went online in late 2012. The LEC will be replacing a portion of the energy currently provided by Reid Gardner when the Department of Water Resources' property rights in Reid Gardner terminate in July 2013. Additional resources needed to meet power requirements will be from unspecified short-term purchases.

5. **Future Project Facilities:** The schedule for initial operation of future project facilities to be used when preparing information for Bulletin 132-13 is shown in the following table.

FUTURE PROJECT FACILITIES	Dates for Initial Operation	
	Bulletin 132-12	Bulletin 132-13
CALIFORNIA AQUEDUCT – EAST BRANCH		
East Branch Enlargement – Stage 2	2020	2021
Pearblossom Pumping Plant – Units 10 & 11 (375 cfs)		
Alamo Power Plant – Unit 2 (1,506 cfs)		
East Branch Extension – Phase I Improvements	May 2013	December 2013
East Branch Extension – Phase II	November 2014	June 2015
Perris Dam Remediation	2016	2016
SOUTH BAY AQUEDUCT		
Improvement and Enlargement	April 2012	June 2013
DELTA FACILITIES		
South Delta Improvement Program Facilities	Postponed Indefinitely	Postponed Indefinitely
Permanent Operable Barriers		
Delta Habitat Conservation and Conveyance Program	December 2023	December 2028
Sherman and Twitchell Island Fishscreens	December 2013	December 2014
NORTH BAY AQUEDUCT		
Alternate Intake	January 2018	January 2019

TABLE 1

**INTEREST RATES TO BE USED IN PREPARING DATA AND
INFORMATION FOR BULLETIN 132-13
WATER CONTRACTORS' STATEMENTS OF CHARGES FOR 2014, AND
DEPARTMENT FINANCIAL ANALYSIS STUDIES**

<u>Item</u>	<u>Interest Rate¹ Per Year</u>
1. Interest Rates on future general obligation "Offset" bonds (If assumed sold) ²	4.0 (6.0)
2. Interest Rate for future Water System Revenue Bonds ²	3.5 (4.0)
3. Project Interest Rate for determining Statements of Charges for 2014	4.610 (4.610)
4. Interest Rate on future short-term investment of project funds ³	0.35 (0.4)

¹For the purposes of Department studies, these rates are to be used as the effective rates of interest. Figures in parentheses are Bulletin 132-12 assumptions.

²Future bonds are assumed to be repaid by the end of the Project 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.

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

TABLE 2
BULLETIN 132-13
COST ESCALATION RATES
FOR SWP FACILITIES
TO BE USED FOR FINANCIAL ANALYSIS STUDIES

<u>Item</u>	<u>Percent Increase</u> <u>Per Year</u> ¹			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016-2035</u>
<u>Capital Costs</u>				
State Operations				
(Salaries and Benefits)	3.5(2.5)	4.0(2.5)	4.5(2.5)	4.5(2.5)
Construction, Direct Pay	5(5)	5(5)	5(5)	5(5)
Relocation, Direct Pay	4(4)	4(4)	4(4)	4(4)
Land and Rights, Direct Pay	4(4)	4(4)	4(4)	4(4)
<u>Operations and Maintenance Cost</u> ²				
State Operations				
(Salaries and Benefits)	3.5(2.5)	4.0(3.0)	4.5(3.0)	4.5(3.0)

¹Figures in parentheses are Bulletin 132-12 assumptions.

²Operation and Maintenance costs in the Statements of Charges for the year 2014 and in Bulletin 132-13 are to be escalated through 2015 and then escalated one percent for the remainder of the Project repayment period. For specific Project studies requiring escalated costs, continue the percent rate for 2016-2035.

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** 'JAN 30 2013**Number:** 13-06**Subject:** 2013 Off Aqueduct Power Facilities Minimum Invoice 13-013-O-Revised**From:**

for Robert S. Corke
Carl A. Torgersen
Deputy Director
Department of Water Resources

Some Contractors have requested clarifying information on DWR's 2013 Off Aqueduct Power Facilities Minimum Invoice 13-013-O-Revised.

DWR front loaded a fraction of Contractors' Off Aqueduct Power Facilities Minimum charges (\$25.89MM) in the first 6 months of 2013, rather than dividing them evenly over 12 months of 2013. This was done in order to divest DWR's 30 year interest in Unit 4 of the Reid Gardner Power Plant. Our contract with Nevada Energy terminates in July 2013 and in order to receive our termination refund we need sufficient funds to complete the divestiture, currently scheduled for July 26, 2013. According to the requirements of the Long-Term Water Supply Contracts, contractors must pay the revised Invoice as required. If contractors take exception to this revised Invoice, they can protest the charges as outlined in the Contract.

To address contractor concerns, representatives of DWR and Metropolitan met on January 25, 2013 to discuss potential solutions to address this issue. The outcome of this discussion generated the following understanding:

1. This is an extraordinary circumstance of needing enough cash by July to complete the divestiture of the Reid Gardner Power Plant; and,
2. The traditional 12 month billing cycle won't collect enough cash to complete divestiture in July; and,
3. The proposed "6-month payment plan" won't set a precedent for future OAP billings.

I trust this understanding will help address contractors' concerns.

NOTICE TO STATE WATER PROJECT CONTRACTORS



Date: FEB 06 2013

Number: 13-07

Subject: Notice to State Water Project Contractors 13-06 (2013 Off Aqueduct Power Facilities Minimum Invoice 13-013-O-Revised)

From: 
for **Carl A. Torgersen**
Deputy Director
Department of Water Resources

Notice to State Water Project Contractors, Number 13-06 (2013 Off Aqueduct Power Facilities Minimum Invoice 13-013-O-Revised), is hereby rescinded.

If you have any questions, please call Robert Cooke at (916) 653-4313.

NOTICE TO STATE WATER PROJECT CONTRACTORS




Date: FEB 20 2013

Number: 13-08

Subject: Bulletin 132-09, Management of the California State Water Project

From:


Mark W. Cowin
Director
Department of Water Resources

Bulletin 132-09, the forty-seventh edition of Bulletin 132, Management of the California State Water Project, has been published and is now available to the public. Bulletin 132-09 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 132-09 will be delivered within six weeks to a subset of recipients who receive this notice. All other recipients may request printed and CD-ROM copies of the bulletin from:

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

Bulletin 132-09 is also available for direct download in PDF format at:

<http://www.water.ca.gov/swpao/bulletin.cfm>

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** March 22, 2013**Number:** 13-09**Subject:** 2013 Table A Allocation Decrease**From:**


Carl A. Torgersen
Deputy Director
Department of Water Resources

The Department of Water Resources (DWR) is adjusting its projection for meeting the State Water Project (SWP) contractors' 2013 Table A requests.

DWR is reducing its projected delivery capability from 1,668,958 acre-feet to 1,460,342 acre-feet. This reduction equates to a drop in allocations from 40 percent to 35 percent for long-term SWP contractors. Enclosed is the revised 2013 SWP Allocation Table.

This decrease is primarily due to the well below average statewide snowpack and precipitation. DWR will continue to monitor the situation and may revise the allocations if warranted by the year's developing hydrologic and water supply conditions.

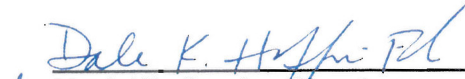
Based on this updated allocation, DWR will use the contractors' current 40 percent delivery schedules in developing new schedules, unless revised schedules are submitted. DWR will send an approved monthly water delivery schedule to each long-term contractor in April.

If you have any questions or need additional information, please contact Robert Cooke, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313.

Enclosure

**2013 STATE WATER PROJECT ALLOCATION
(ACRE-FEET)**

SWP CONTRACTORS	TABLE A (1)	INITIAL REQUEST (2)	APPROVED ALLOCATION (3)	PERCENT INITIAL REQUEST APPROVED (3)/(2) (4)
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	9,625	35%
Plumas County FC&WCD	2,410	2,410	844	35%
City of Yuba City	9,600	9,600	3,360	35%
Subtotal	39,510	39,510	13,829	
<u>NORTH BAY</u>				
Napa County FC&WCD	29,025	29,025	10,159	35%
Solano County WA	47,656	47,656	16,680	35%
Subtotal	76,681	76,681	26,839	
<u>SOUTH BAY</u>				
Alameda County FC&WCD, Zone 7	80,619	80,619	28,217	35%
Alameda County WD	42,000	42,000	14,700	35%
Santa Clara Valley WD	100,000	100,000	35,000	35%
Subtotal	222,619	222,619	77,917	
<u>SAN JOAQUIN VALLEY</u>				
Oak Flat WD	5,700	5,700	1,995	35%
County of Kings	9,305	9,305	3,257	35%
Dudley Ridge WD	50,343	50,343	17,620	35%
Empire West Side ID	3,000	3,000	1,050	35%
Kern County WA	982,730	982,730	343,956	35%
Tulare Lake Basin WSD	88,922	88,922	31,123	35%
Subtotal	1,140,000	1,140,000	399,001	
<u>CENTRAL COASTAL</u>				
San Luis Obispo County FC&WCD	25,000	25,000	8,750	35%
Santa Barbara County FC&WCD	45,486	45,486	15,920	35%
Subtotal	70,486	70,486	24,670	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	141,400	141,400	49,490	35%
Castaic Lake WA	95,200	95,200	33,320	35%
Coachella Valley WD	138,350	138,350	48,423	35%
Crestline-Lake Arrowhead WA	5,800	5,800	2,030	35%
Desert WA	55,750	55,750	19,513	35%
Littlerock Creek ID	2,300	2,300	805	35%
Metropolitan WDSC	1,911,500	1,911,500	669,025	35%
Mojave WA	82,800	82,800	28,980	35%
Palmdale WD	21,300	21,300	7,455	35%
San Bernardino Valley MWD	102,600	102,600	35,910	35%
San Gabriel Valley MWD	28,800	28,800	10,080	35%
San Geronio Pass WA	17,300	17,300	6,055	35%
Ventura County WPD	20,000	20,000	7,000	35%
Subtotal	2,623,100	2,623,100	918,086	
TOTAL	4,172,396	4,172,396	1,460,342	

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** JUN 17 2013**Number:** 13-10**Subject:** Central Valley Project Water System Revenue Bonds, Series AM
Par Amount: Series AM \$183,960,000
Closing Dates: March 5, 2013**From:**
for **Mark W. Cowin, Director**
Department of Water Resources**Summary of Financing Results**

The Department of Water Resources (DWR) issued Bond Series AM to refund \$183.9 million of bonds outstanding for Series Y and AA. DWR delivered Series AM on March 5, 2013 pursuant to a forward delivery purchase agreement executed on February 28, 2012 among the DWR, the State Treasurer, and the underwriters. The net present value savings achieved was \$31.3 million, or 14.8 percent of refunded bonds. DWR entered the municipal market at a time of historically low interest rates and was able to take advantage of extremely low borrowing costs. A summary of financing results is provided in Table 1 below:

Table 1: Summary of Financing Results

	Series AM
Delivery Date	3/5/2013
Par Amount Refunded	\$ 211,840,000
Net Present Value Savings	\$ 31,301,624
Percentage Savings of Refunded Bonds	14.8%
Average Coupon of Refunded Bonds	5.05%
Average Life of Refunded Bonds	7.8
All-in True Interest Cost (TIC)	2.71%

Summary of Cash Flow Savings

The significant savings DWR achieved on the financing will provide cash flow relief over the next 13 years. Below in Table 2 is a summary of yearly savings to DWR as a result of refunding each of the Bonds Series Y, and AA.

Table 2: Summary of Savings Results
Series AM

	<u>Year</u>	<u>Annual Savings</u>
	12/1/13	3,350,796
	12/1/14	3,352,488
	12/1/15	1,444,138
	12/1/16	2,680,338
	12/1/17	2,809,450
	12/1/18	2,448,300
	12/1/19	3,865,100
	12/1/20	2,806,750
	12/1/21	2,608,500
	12/1/22	4,110,250
	12/1/23	3,507,250
	12/1/24	3,025,750
	<u>12/1/25</u>	<u>4,005,750</u>
Total Savings		<u>\$ 40,014,858</u>
Net Present Value Savings		<u>\$ 31,301,624</u>

If you have any questions, please contact Perla Netto-Brown, Chief of DWR's Division of Fiscal Services at (916) 653-9836.

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** JUN 17 2013**Number:** 13-11**Subject:** Central Valley Project Water System Revenue Bonds, Series AP
Par Amount: Series AP \$45,340,000
Closing Dates: March 26, 2013**From:**

Dale K. Hoffman
for **Mark W. Cowin, Director**
Department of Water Resources

Summary of Financing Results

The Department of Water Resources (DWR) issued Bond Series AP through a competitive sale to refund \$45.3 million of DWR's outstanding Commercial Paper Notes, Series 1. DWR delivered Series AP on March 26, 2013. The bonds are authorized to be issued under the Central Valley Project Water System Revenue Bonds General Bond Resolution, adopted as of July 1, 1986, as supplemented by a Fiftieth supplemental resolution of the Department adopted as of March 12, 2013.

The refunded notes were issued to finance the costs of constructing certain water system facilities that are part of the water conservation and transportation construction program. A summary of financing results is provided in Table 1 below:

Table 1: Summary of Financing Results

	Series AP
Delivery Date	3/26/2013
Par Amount	\$ 45,340,000
Premium	\$ 5,578,828
Last Maturity	12/1/2035
Average Life (years)	13.7
All-in True Interest Cost (TIC)	2.97%

If you have any questions, please contact Perla Netto-Brown, Chief of DWR's Division of Fiscal Services at (916) 653-9836.

NOTICE TO STATE WATER PROJECT CONTRACTORS



Date: JUL 26 2013

Number: 13-12

Subject: Bulletin 132-10, Management of the California State Water Project

From:

A handwritten signature in blue ink, appearing to read "Mark W. Cowin", is written over a horizontal line.

Mark W. Cowin

Director

Department of Water Resources

Bulletin 132-10, the forty-eighth edition of Bulletin 132, Management of the California State Water Project, has been published and is now available to the public. Bulletin 132-10 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 132-10 will be delivered within six weeks to a subset of recipients who receive this notice. All other recipients may request printed and CD-ROM copies of the bulletin from:

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

Bulletin 132-10 is also available for direct download in PDF format at:

<http://www.water.ca.gov/swpao/bulletin.cfm>

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** SEP 12 2013**Number:** 13-13**Subject:** Central Valley Project Water System Revenue Bonds, Series AQ
Par Amount: Series AQ \$120,205,000
Closing Date: June 18, 2013**From:** 
Mark W. Cowin, Director
Department of Water Resources**Summary of Financing Results**

The Department of Water Resources (DWR) issued tax-exempt bond Series AQ with a par amount of \$120.3 million through a competitive sale to provide up front financing of \$114.8 million for the construction of the East Branch Extension Phase I Improvements and Phase II. The bond proceeds will be used to fund construction costs through March 2014 for this project, which is expected to be completed in 2016. Bond proceeds were also used to fund the debt service reserve, pay costs of issuance, fund capitalized interest, and refund \$7.8 million of DWR's current outstanding commercial paper issued for this project.

The refunded notes were issued to finance the construction costs of the East Branch Extension Phase I Improvements and Phase II, which are part of the water conservation and transportation construction program. A summary of financing results is provided in Table 1 below:

Table 1: Summary of Financing Results

	Series AQ
Delivery Date	6/18/2013
Par Amount	\$ 120,250,000
Premium	\$ 13,692,394
Last Maturity	12/1/2035
Average Coupon	4.06%
Average Life (years)	17.6
All-in True Interest Cost (TIC)	3.22%

If you have any questions, please contact Perla Netto-Brown, Chief of DWR's Division of Fiscal Services at (916) 653-9836.

NOTICE TO STATE WATER PROJECT CONTRACTORS**Date:** NOV 19 2013**Number:** 13-14**Subject:** 2014 State Water Project Initial Allocation – 5 Percent**From:**

Carl A. Torgersen
Department of Water Resources

The Department of Water Resources (DWR) is initially approving 208,628 acre-feet of Table A water for long-term State Water Project (SWP) contractors in 2014. SWP supplies are projected to meet 5 percent of SWP contractors' requests for Table A water, which totals 4,172,536 acre-feet. Attached is the initial 2014 SWP allocation table.

This allocation is made consistent with the long-term water supply contracts and public policy. DWR considered several factors, including existing storage in SWP conservation reservoirs, SWP operational constraints such as the conditions of the recent Biological Opinions for Delta smelt and salmonids and the longfin smelt incidental take permit, and 2014 contractor demands. DWR may revise allocations if warranted by the year's developing hydrologic and water supply conditions.

Based on this initial allocation, DWR will use the 30 percent delivery schedules submitted by the contractors earlier this year to arrive at the 5 percent schedules, unless revised schedules are submitted by contractors. DWR will send an approved monthly water delivery schedule to each long-term contractor in December.

If you have any questions or need additional information, please contact Robert Cooke, Chief of DWR's State Water Project Analysis Office, at (916) 653-4313.

Attachment

**2014 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)
<u>FEATHER RIVER</u>				
County of Butte	27,500	27,500	1,375	5%
Plumas County FC&WCD	2,500	2,500	125	5%
City of Yuba City	9,600	9,600	480	5%
Subtotal	39,600	39,600	1,980	
<u>NORTH BAY</u>				
Napa County FC&WCD	29,025	29,025	1,451	5%
Solano County WA	47,706	47,706	2,385	5%
Subtotal	76,731	76,731	3,836	
<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	465	5%
Dudley Ridge WD	48,350	48,350	2,418	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	1,136,556	1,136,556	56,829	
<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	2,274	5%
Subtotal	70,486	70,486	3,524	
<u>SOUTHERN CALIFORNIA</u>				
Antelope Valley-East Kern WA	144,844	144,844	7,242	5%
Castaic Lake 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	82,800	82,800	4,140	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	2,626,544	2,626,544	131,328	
TOTAL	4,172,536	4,172,536	208,628	

**NOTICE TO
STATE WATER PROJECT CONTRACTORS**

NUMBER: 13-15

DATE: DEC 31 2013

SUBJECT: Informational Bulletin on Various Contracts for Project Water


FROM:
DEPUTY DIRECTOR,
DEPARTMENT OF WATER RESOURCES

The Department of Water Resources may consider various contractual approaches to provide water to requesting entities. Possible approaches would include entering into a new or amended State Water Project Long-Term Water Supply Contract. In considering future requests for water supply and in developing any new agreements for water supply, DWR generally will apply the following principles:

- a. The quantity of water to be provided will be limited to that amount needed to meet the demonstrated needs within the entity's service area and also limited to that amount that the entity could reasonably be expected to be established by an application to appropriate water filed with the SWRCB under the provisions of Water Code sections 11460 through 11463.
- b. For entities with existing SWP Contracts, it will not receive a new or amended SWP Contract that would increase its existing total maximum Table A Allocation, if any, unless and until it is fully utilizing its current SWP Contract Table A Allocation within its service area.
- c. An entity will pay its proportionate share of all retroactive and prospective costs of conservation facilities and applicable transportation facilities, including the payment of interest thereon.
- d. The Contract will be subject to the uniformity requirements applicable to the existing SWP Contracts, such that the terms and conditions of the Contract will be substantially uniform with the basic terms and conditions of existing SWP Contracts, and specifically will be subject to the uniform shortage provisions contained in Article 18(a) of existing SWP Contracts.